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Japan

Tokyo Announces Additional Sanctions Against Iraq

Concern Over Sanctions Backfiring

OW0308163590 Tokyo KYODO in English 1439 GMT 3 Aug 90

[Text] Tokyo, Aug 3 KYODO—A decision by Japan to impose economic sanctions on Iraq for its invasion of Kuwait on Thursday could backfire and have a serious negative impact on the nation's public and private sectors, government sources said Friday. Japan is currently trying to collect 700 billion yen in claims from Iraq—430 billion yen in commercial claims, backed by government trade insurance, 220 billion yen in direct private sector debts not guaranteed by the government, and 50 billion yen in Export and Import Bank of Japan yen credits, the sources said. If Iraq were to respond to a Japanese ban on oil imports from the Middle Eastern country by suspending debt payments to Japan, it would trigger a sharp increase in government trade insurance payments to Japanese enterprises, the sources said.

Spokesman 'Condemns Strongly' Invasion

OW0308155990 Tokyo KYODO in English 1447 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan on Friday joined major Western economic powers in implementing measures designed to protect Kuwait's 20 billion dollars of financial assets in Japan in the wake of Thursday's Iraqi invasion and occupation of the tiny oil-rich emirate. Prime Minister Toshiki Kaifu also directed his cabinet to take measures against Iraq in line with the conclusions to be reached by the United Nations Security Council, which has begun deliberations on the issue, officials said.

Kaifu, who cut short a visit to a central Japan resort to deal with the situation from Tokyo, issued the directive Friday evening in a meeting with Chief Cabinet Secretary Misoji Sakamoto and Vice Foreign Minister Takakazu Kuriyama, who briefed him on the latest volatile situation in the Middle East. Officials said Kuriyama told Kaifu that there is so far no reason for his scheduled trip to the Middle East in mid-August to be altered in any way.

Kaifu, in a speech delivered earlier in the day in Karuizawa, Nagano Prefecture, welcomed the concerted U.S.-Soviet call for an end to Iraq's invasion of Kuwait. Foreign Ministry spokesman Taizo Watanabe, in the strongest language used so far by Japan, told reporters that Japan "condemns strongly" the Iraqi invasion of Kuwait. Watanabe said that in addition to the measures to be adopted by the U.N. Security Council, Japan is also studying what actions it can take separately "in order to show our position vis-a-vis this incident."

Bush Urges Kaifu To Join Sanctions

OW0408024590 Tokyo KYODO in English 0221 GMT 4 Aug 90

[Text] Tokyo, Aug. 4 KYODO—U.S. President George Bush telephoned Prime Minister Toshiki Kaifu on Saturday and urged him to join the United States in imposing economic sanctions against Iraq, Japanese Government officials said. The officials said Kaifu replied that Japan will impose sanctions if the United Nations Security Council adopts a resolution calling for sanctions against Iraq in response to its invasion of Kuwait.

Further on Bush-Kaifu Talk

OW0408051390 Tokyo KYODO in English 0450 GMT 4 Aug 90

[Text] Tokyo, Aug. 4 KYODO—U.S. President George Bush urged Prime Minister Toshiki Kaifu in a telephone call Saturday to join the United States in imposing economic sanctions against Iraq in response to Iraq's invasion of Kuwait, Japanese Government officials said. Kaifu responded that Japan is ready to implement sanctions if the United Nations Security Council recommends economic sanctions against Iraq, the officials said.

In the 20-minute call to discuss the Iraqi invasion of Kuwait, Bush called on Japan to urge the U.N. Security Council to issue such a resolution. Kaifu and Bush agreed that Iraq's invasion of Kuwait was regrettable, called for the immediate and unconditional withdrawal of all Iraqi troops from Kuwait, and agreed that sanctions should quickly be imposed on Iraq by the international community, the officials said. Bush also told Kaifu that he had met British Prime Minister Margaret Thatcher, and had telephoned French President Francois Mitterrand and West German Chancellor Helmut Kohl, calling for these major countries to undertake joint actions against Iraq.

While noting Japan's dependence on oil imports from the Gulf region, Bush urged Kaifu to impose economic sanctions against Iraq, such as banning oil imports from Iraq, regardless of Japan's economic interests in the country. Kaifu said Japan wants to cooperate in imposing economic sanctions as much as possible, but would not spell out what concrete measures Japan was willing to adopt. Kaifu said Japan is considering measures in cooperation with the U.S. and other Western nations and pledged Japan will implement sanctions if the U.N. Security Council decides on them. On Friday, Japan announced it was freezing all Kuwaiti assets held in Japan. On Thursday, the Bush administration banned U.S. imports of oil from Iraq, and froze all Iraqi and Kuwaiti assets under U.S. control.

Foreign Ministry Spokesman Comment

OW0508042590 Tokyo NHK General Television Network in Japanese 0300 GMT 5 Aug 90

[Text] Foreign Ministry Spokesman Watanabe participated in the NHK political roundtable discussion entitled: The Iraqi Troops' Invasion of Kuwait and What Will Happen to the Middle East. The discussion was broadcast this morning. With regard to the question of sanctions against Iraq, the spokesman said: It is important to make Iraq understand that any military actions are useless. It is appropriate for the United States, Japan, and the European Community to take measures towards that end. The European Community is taking a firm attitude, and any attitude taken by Japan will be important. Thus, the spokesman stressed that Japan plans to take sanctions against Iraq in cooperation with Western nations.

Miyazawa: G-7 Should Consider Sanctions

OW0508070490 Tokyo KYODO in English 0638 GMT 5 Aug 90

[Text] Aspen, Col., Aug. 4 KYODO—Former Japanese Finance Minister Kiichi Miyazawa said Saturday the world's seven advanced industrialized nations should consider together sanctions against Iraq for its invasion of neighboring Kuwait, if United Nations' sanctions take too long in being realized. In an interview with KYODO NEWS SERVICE, Miyazawa also suggested that Japan adopt a more flexible stance with regard to its ban on rice imports in order to preserve the spirit of the General Agreement on Tariffs and Trade. Regarding the Iraqi invasion of Kuwait, Miyazawa said "Japan must clearly indicate its thoughts in the United Nations and the sanctions must be carried out in unison."

Miyazawa further expressed the opinion that Japan, which imports a good 10 percent of its crude oil from Iraq, must join in with the United Nations measures even if they include a halt in the importing of Iraqi oil. Miyazawa said he would like to see the sanctions "realized in the name of the United Nations," but admitted it may be difficult to get all the nations to act in concert. He suggested, however, the Group of Seven (G-7) industrially advanced nations together could impose sanctions if the United Nations could not.

Regarding demands that Japan replace its ban on rice imports with a system of tariffs, Miyazawa remarked, "as the move for tariffication grows stronger, Japan must give its negotiators more leeway for discretion." "Although there are calls domestically that we must shout down any call for tariffication, we must make the new (Uruguay) round of talks a success or lose the raison d'etre of GATT," Miyazawa said. Miyazawa indicated a similarly flexible attitude earlier Saturday during his speech before a seminar at the Aspen Institute of Humanistic Studies. In his speech, Miyazawa also suggested the return of the four disputed islands off Japan's northernmost island of Hokkaido may be the "litmus test" of Soviet President Mikhail Gorbachev's new thinking. He also called for Japanese trade and investment to stimulate the opening of markets and expansion of economies in reigons throughout the world.

Kaifu, Nakayama on Possible Sanctions

OW0508080890 Tokyo KYODO in English 0747 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama on Sunday afternoon discussed Japan's possible economic sanctions against Iraq in response to its invasion of Kuwait. No details were available of the hourlong discussions, which were held at the prime minister's official residence. Kaifu is to have another round of talks on the matter with Nakayama, Finance Minister Ryutaro Hashimoto, and International Trade and Industry Minister Kabun Muto at 6:30 P.M.

Kaifu put off his departure for Hiroshima, which had been scheduled for Sunday evening. He will instead leave Tokyo on Monday morning for Hiroshima to attend a ceremony marking the 45th anniversary of the atomic bombing of the city in World War II. Asked about the meeting by reporters, Nakayama said only that they reviewed the situation in the Gulf, and declined to disclose further details of the talks.

Chief Cabinet Secretary Misoji Sakamoto, who also attended the meeting, declined to specify whether the government will formally announce Japanese punitive measures against Baghdad within the day. On Saturday, U.S. President George Bush telephoned Kaifu and urged him to join the U.S. in imposing economic sanctions against Iraq. Kaifu reportedly told Bush that Japan wants to cooperate in imposing economic sanctions as much as possible, but would not spell out what concrete measures Japan was willing to adopt. On Friday, the government announced it was freezing all Kuwaiti assets held in Japan to prevent illegitimate withdrawals. Kuwaiti funds in Japan are estimated at 20 billion dollars.

'Final Touches' on Planned Sanctions

OW0508110690 Tokyo KYODO in English 1010 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Prime Minister Toshiki Kaifu conferred with his cabinet ministers on Sunday to put the final touches to Japan's economic sanctions against Iraq in response to its invasion of Kuwait. Kaifu first met Foreign Minister Taro Nakayama for an hour Sunday afternoon and later summoned International Trade and Industry Minister Kabun Muto and Finance Minister Ryutaro Hashimoto for an expanded session at his official residence. Chief Cabinet Secretary Misoji Sakamoto, who attended both sessions, was expected to announce the sanctions Sunday night.

The sanctions are expected to center on an embargo of oil imports from Iraq and the freezing of Japanese loans to the country, government sources said. These measures will be in addition to the government decision on Friday that Japan was joining the United States and other Western allies in freezing all Kuwaiti assets held in Japan to prevent illegitimate withdrawals. Kuwaiti funds in Japan are estimated at 20 billion dollars. On Saturday, U.S. President George Bush telephoned Kaifu and urged him to join the U.S. in imposing economic sanctions against Iraq. Kaifu reportedly told Bush that Japan wants to cooperate in imposing economic sanctions as much as possible, but would not spell out what concrete measures Japan was willing to adopt. Asked about his first one-on-one meeting with Kaifu, Nakayama said only that they reviewed the situation in the Gulf, and declined to disclose further details of the talks.

Japanese imports of crude oil from Iraq in 1989 totaled about 217,000 barrels a day, or about 6 percent of the country's total crude oil imports. Another 167,000 barrels a day were imported from Kuwait during the year. Apart from an embargo on oil imports, the government was also expected to announce a ban on all forms of trade with Iraq and to freeze a 405 billion yen credit to Iraq. The question of sanctions has pitted the Foreign Ministry against the Ministry of International Trade and Industry (MITI). While the Foreign Ministry has urged the government to join Japan's Western allies in imposing sanctions against Iraq, MITI has been lukewarm to the idea, wary that Iraq may suspend repayments on 700 billion yen in outstanding debts with Japan, mostly with the private sector, government sources said.

Sakamoto Announces Sanctions

OW0508124890 Tokyo NHK General Television Network in Japanese 1143 GMT 5 Aug 90

[Announcement by Chief Cabinet Secretary Sakamoto in Tokyo on 5 August—recorded]

[Text] The government renews its request that Iraq immediately observe the UN Security Council Resolution 665. The government, from this standpoint, has already taken a step to withhold property of Iraq in Japan. Now in addition to this, the government has decided to take the following actions:

First, import of oil from Iraq and Kuwait shall be banned;
Second, export of goods to Iraq and Kuwait shall be banned;
Third, appropriate actions shall be taken to halt investment and loan to Iraq and Kuwait, and other capital transactions with the countries; and
Fourth, economic cooperation with Iraq shall be put on a freeze.

When the UN Security Council adopts a resolution for sanctions, the government shall carry out this resolution earnestly. The government shall continue to take necessary actions to ensure the security of Japanese citizens in this area. The government shall provide full support to international efforts aimed at solving the problem through negotiations.

Japan Bans Trade, Suspends Loans

OW0508122090 Tokyo KYODO in English 1202 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Japan has decided to halt all trade with Iraq, including oil imports, and to suspend Japanese loans and credits totaling some 400 billion yen to Baghdad as part of its economic sanctions over the invasion of Kuwait, Chief Cabinet Secretary Misoji Sakamoto said Sunday.

Tokyo had already joined the United States and other Western allies on Friday in freezing all Kuwaiti assets in Japan—estimated at 20 billion dollars—to prevent them falling into the hands of the new Iraqi-installed government in Kuwait. The decision to take further punitive measures against Iraq was made in a meeting between Prime Minister Toshiki Kaifu and his cabinet ministers held at the prime minister's official residence on Sunday evening. The ministers present were Foreign Minister Taro Nakayama, International Trade and Industry Minister Kabun Muto, Finance Minister Ryutaro Hashimoto, and Sakamoto.

Kaifu placed a telephone call to U.S. President George Bush after the meeting and briefed him on the sanctions ordered by the Tokyo government. Bush had phoned Kaifu on Saturday, urging him to join the United States and its Western allies in imposing sanctions against Iraq. The Japanese Government announced on Friday that it would join the West in imposing sanctions against Iraq, but the foreign and trade ministries had been divided over extent of sanctions. The Ministry of International Trade and Industry has taken a cautious attitude for fear that Iraq might respond by delaying repayments of its debts to Japan. Iraq's accumulated debts to Japan, mainly to Japanese private companies, are estimated at some 700 bilion yen.

Nakayama, fresh from a trip to Southeast Asia, called on Kaifu to adopt strong economic sanctions against Iraq in view of international concerted efforts to punish Baghdad. Japan has pledged to provide Iraq with 405 billion yen in loans—388 billion yen in export credits and 17 billion yen in official development assistance loans. Tokyo is the largest aid donor to Iraq. Iraq's exports to Japan totaled 828 million dollars in 1988, virtually all of it crude oil. Japan's exports to Iraq in that year amounted to 406 million dollars, mainly industrial products. Japanese imports of crude oil from Iraq in 1989 totaled about 217,000 barrels a day, or about 6 percent of the country's total crude imports. Another 167,000 barrels a day were imported from Kuwait during the year.

Further on Sanctions

OW0508123090 Tokyo KYODO in English 1207 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Japan on Sunday announced it will halt all trade with Iraq and Kuwait, including oil imports, and freeze Japanese loans and credits totaling some 400 billion yen to Baghdad as part of a four-point sanction plan against Iraq over its invasion of Kuwait. Chief Cabinet Secretary Misoji Sakamoto, in announcing the punitive measures, said Japan will also suspend all capital transactions with both Iraq and Kuwait. Iraq has installed a new government in Kuwait after invading the oil-rich country on Thursday.

Sakamoto Explains Sanctions

OW0508144490 Tokyo KYODO in English 1414 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Japan on Sunday imposed a ban on oil imports and all other trade with Iraq and Kuwait, joining international economic sanctions against Iraq for its invasion of Kuwait. Chief Cabinet Secretary Misoji Sakamoto, announcing the sanctions, said Japan will also freeze 400 billion yen in economic assistance to Iraq, and suspend financial transactions with Iraq and Kuwait. Prime Minister Toshiki Kaifu immediately reported Japan's decision to U.S. President George Bush, who welcomed the sanctions as a "good signal" to the international community, a Foreign Ministry official said.

Bush told Kaifu in the 15-minute phone call that the situation on the border between Kuwait and Saudi Arabia remains very tense, and he plans to stay in close contact with Kaifu on future developments. There was no discussion of possible U.S. military intervention, the official said. Iraqi troops are reportedly massed on the border with Saudi Arabia. Deputy Chief Cabinet Secretary Nobuo Ishihara told reporters the sanctions would cause some difficulties for Japan, which imports 12 percent of its crude oil from the two countries. He said it was important, however, for Japan to act in concert with the international community.

Japan finalized its decision on sanctions earlier than previously planned after Kaifu conferred with key ministers in a specially convened session Sunday evening. Attending the Sunday evening session were Foreign Minister Taro Nakayama, International Trade and Industry Minister Kabun Muto, Finance Minister Ryutaro Hashimoto, and Sakamoto. Japan said on Friday it was waiting for a decision on sanctions by the United Nations Security Council, but the process was apparently accelerated after Bush and the U.S. Congress urgently called for Japan to act early.

Japan had already joined the U.S. and the European Community in freezing Kuwaiti assets to prevent them from falling under the control of the new government formed in Kuwait following the invasion. Kuwait has an estimated 20 billion dollars worth of assets in Japan. A MITI [Ministry of International Trade and Industry] official said he expected the sanctions to have no immediate effect on Japan's oil supplies, due in part to Japanese stockpiles of oil, which are sufficient to last for 142 days. But he said that over the long term the move could have an impact on the Japanese economy. Spot oil prices were also expected to be impacted by the sanctions, he said.

Government officials said the ban on oil imports would be in place by the end of the week, and other measures would be implemented as soon as possible. The embargo covers only oil exported directly from Iraq and Kuwait, but officials said it would be possible to check oil imported via third countries. Ishihara said the sanctions would be lifted if the Iraqi Army withdrew, and the former government of Amir Shaykh Jabir al-Ahmad al-Jabir al-Sabah was restored. Iraq announced Saturday the establishment of a provisional Kuwaiti government. It was immediately denounced by Kuwaiti officials overseas as a "puppet" of Iraq.

Kaifu Supports U.S. Efforts

OW0508145490 Tokyo KYODO in English 1424 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—U.S. President George Bush, welcoming Japan's economic sanctions against Iraq over its invasion of Kuwait, said Sunday that Tokyo's swift measures will send a good signal to the international community. Bush made the remarks in a 15-minute telephone conversation with Prime Minister Toshiki Kaifu, Japanese officials said. Kaifu telephoned Bush to brief him on the Japanese policy before Chief Cabinet Secretary Misoji Sakamoto announced Japan's four-point sanction plan against Baghdad at a press conference.

Kaifu was quoted as telling Bush that Japan has decided to take punitive steps against Iraq in view of the urgency of the situation. The prime minister also expressed Japan's continued support for U.S. initiatives to solve the problem. Bush voiced deep respect for Japan's decision and promised to keep close in contact with Japan on the matter, the officials said. Japan's sanctions against Iraq announced by Sakamoto include a ban on all trade with Iraq and Kuwait, including oil imports, and a freeze on Japan's loans and credits to Baghdad.

Economic Effects of Iraqi Sanctions Assessed

Ministry, Businessmen Comment

OW0508150390 Tokyo KYODO in English 1443 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Japan's trade minister and business leaders on Sunday expressed concern about the potential damage to the economy from Japanese sanctions against Iraq. Minister of International Trade and Industry Kabun Muto said he is concerned that Japan will have to pay higher prices for oil if economic sanctions the government announced earlier Sunday are dragged out. "If the dispute is protracted, keeping Japan from importing Iraqi oil, the oil market will be destabilized and hurt the living standards of the Japanese people and the nation's economic activities, especially those of small companies," Muto said in a statement.

His comments came on the heels of an announcement by the Japanese Government late Sunday of four-point sanctions against Iraq, including a ban on oil purchases from Iraq and Kuwait and a freeze on Japanese loans to Baghdad totaling some 400 billion yen. Muto said the ministry will take all possible measures, including greater efforts for energy-saving, in order to keep the damage caused by the embargo as small as possible.

Japan depends on imports for virtually all of its oil requirements, and 6.2 percent of its oil comes from Iraq. Japan now has oil stockpiles sufficient to last for 142 days. Meanwhile, business circles voiced worries that the penalties will force Iraq to delay repayment of its outstanding debts to Japan totaling around 700 billion yen. Since 1988, Japan has allowed Iraq to pay part of its debts through oil exports. "This means 'a double punch' for us...higher oil prices and delay in the repayment of money," a senior official at a major trading house said. "We know well the government decision is overriding, but who in the world will compensate us for our losses?" the official said. An official in charge of energy imports at Mitsubishi Corp., a leading trading company which handles oil purchases from Iraq on behalf of Japanese companies, said, "the sanctions have thrown us into the worst conceivable situation. I fear that it will take quite a long time for the sanctions to be lifted."

Similar pessimism was voiced in the construction, chemicals, and steel sectors, which are wary that a halt in Japan's loans to Iraq will hobble their future plant deals with the Gulf nation. "It is regrettable, especially because it has happened when bilateral businesses had begun to recover at last from the long slump due to the Iran-Iraq war," said an official at a major construction firm. The oil companies, however, were not overconcerned about the embargo on oil imports, saying it will not lead to an immediate supply shortage. But some said the decision, if maintained long enough to seriously deplete Japan's oil stocks, will prompt them to seek other sources of oil supply. The embargo on oil imports from Iraq and Kuwait will cut Japan's oil purchases by an estimated 450,000 barrels per day, or 12 percent of its total imports.

Sanctions Mark Oil Policy Shift

OW0508164590 Tokyo KYODO in English 1530 GMT 5 Aug 90

[By Jocelyn Ford]

[Text] Tokyo, Aug. 5 KYODO—Japan's decision to join ranks with the United States and the European Community in imposing a trade embargo against Iraq marks a departure from Tokyo's usual oil-first policy. In opting to impose an embargo on oil imports from Iraq and Kuwait—which account for 12 percent of Japan's oil supplies—Prime Minister Toshiki Kaifu overrode the opposition of the powerful Ministry of International Trade and Industry (MITI) to side with the international community.

The decision reversed a trend of Japan playing odd-man-out on sensitive Middle East oil issues, as well as its practice of waiting for U.N. decisions before taking such action. In 1979 Tokyo declined to follow suit when the U.S. and European Community imposed an oil embargo on Iran after Tehran took Americans hostage at the U.S. Embassy. This time, the decision was clearly in favor of international solidarity. "Japan will face hardships due to the ban on oil imports, but this is a bold start in international cooperation," Deputy Chief Cabinet Secretary Nobuo Ishihara said.

In addition to stopping all trade with Iraq and Kuwait, Japan is also barring economic aid, and freezing Kuwait's financial assets in Japan. The moves were criticized by MITI, which feared a long-term impact on Japan's economy. Asked if MITI had opposed the sanctions, a ministry official who was present at Sunday's consultations said, "these measures are important, but on the other hand, the supply of oil is important."

Although Japan depends on imports for virtually all of its oil supplies, it has stockpiles sufficient for nearly five months. The freeze on some 400 billion yen in economic assistance to Iraq, MITI officials fear, could also mean a delay in the repayment of outstanding debts amounting to 700 billion yen, mostly owed to the private sector. Meanwhile, Foreign Ministry officials described Sunday's sanctions as "drastic" for Japan. "It is the very first time for Japan to take such a drastic move before the U.N. has decided anything on sanctions," said a Foreign Ministry official who requested anonymity.

Makoto Watanabe, director general of the ministry's Bureau of Middle East and African Affairs, said the decision was largely due to Kaifu's political leadership. One of the deciding factors was the consideration of international coordination, referring to the punitive measures announced earlier by the U.S. and the EC, Watanabe said. But he stressed that Japan's policy of relying on peaceful methods to settle international conflicts led to Sunday's decision. Watanabe said Japan was prepared to risk the 700 billion yen of outstanding loans to Baghdad in view of the urgency and gravity of the matter. Asked why it took Japan took four days to make a decision on the economic embargo, he pointed to the possible repercussions on the Japanese economy, which is more dependent on oil supplies from Iraq and Kuwait than most other Western economies.

Kaifu Doubts 'Serious Damage'

OW0608051690 Tokyo NHK General Television Network in Japanese 0300 GMT 6 Aug 90

[Text] Prime Minister Toshiki Kaifu held a news conference today in Hiroshima City, where he is attending a peace ceremony. While stating that every possible effort would be made to ensure that the people's livelihood would not be affected by the oil import ban, a measure taken as part of the economic sanctions against Iraq, Prime Minister Kaifu called on everyone to cooperate in saving energy.

[Begin Kaifu recording] I do not think that there will be any serious damage for some time to come. At the same time, however, I cherish the hope that Iraq will not let such a situation continue. I hope that it will restore peace by eliminating this situation soon, that it will take the international situation into consideration. I would like to call on our people for their understanding and cooperation in saving energy. [end recording]

Prime Minister Kaifu has therefore indicated his decision to make every possible effort to prevent sanctions from affecting the people's livelihood. He has also called on the people to cooperate in saving energy. In addition to the sanctions that the government decided to impose against Iraq on the previous day, Prime Minister Kaifu disclosed Japan's intention to abide by the UN Security Council decision should it decide to take new sanctions against Iraq. He also stated that Japan will make every possible effort to protect the Japanese residing in Iraq and Kuwait.

With regard to the call to save energy in the wake of the decision to adopt sanctions against Iraq, a government source stated this morning that concrete measures would be discussed at the government's council for the promotion of energy and resource saving, which is composed of officials from various ministries and agencies at the vice ministerial level. As for concrete measures, the same source disclosed that in addition to calling on the general public to save energy, the government will call on enterprises to conserve their power consumption and to improve the fuel consumption of motor vehicles.

Due to the Japanese Government's decision to take economic sanctions against Iraq, as well as other reasons, the price of crude oil registered a sharp incease on the Tokyo crude oil market this morning. The price of crude oil from Dubayy in the Middle East reached $21.50 per barrel, about $2.00 higher than the closing price on the New York market last weekend.

Kaifu Urges Energy Conservation

OW0608055590 Tokyo KYODO in English 0528 GMT 6 Aug 90

[Text] Hiroshima, Aug. 6 KYODO—Prime Minister Toshiki Kaifu called on the Japanese people Monday to conserve energy in the wake of Japan's economic sanctions against Iraq for its invasion and occupation of Kuwait. Kaifu made the call in a press conference here after attending a ceremony commemorating the 45th anniversary of the atomic bombing of Hiroshima. "I cannot say Japan's ban on oil imports from Iraq and Kuwait will have no impact on the living of the Japanese people," Kaifu said of the decision to halt imports from the two Mideast nations which together have been supplying 12 percent of Japan's daily oil requirements.

Japan will make every effort to increase imports from other oil producing countries, Kaifu said, noting Japan has stockpiled crude oil equivalent to 142 days of consumption to cushion the impact. Kaifu reiterated Japan's opposition to the Iraqi invasion last Thursday of Kuwait, describing it as an impermissible action against a sovereign state. Kaifu said the situation in Kuwait is not likely to turn better in the near future, a fact which compelled the Japanese Government to impose economic sanctions against Iraq before the United Nations Security Council passes a resolution on concerted sanctions.

Japan is prepared to support whatever resolution the U.N. Security Council adopts, Kaifu said. The Japanese Government Sunday announced its economic sanctions which included ban on crude imports from Iraq and Iraqi-occupied Kuwait, an embargo on all other trade with the two countries, and a freezing of its economic aid program with Iraq. In other comments, Kaifu appeared to rule out the possibility his government would adopt a law providing expanded government assistance to victims of the atomic bombings of Hiroshima and Nagasaki in 1945. Kaifu said the Japanese Government has already dealt with the needs of those suffering from atomic bomb-related illnesses in the areas of medicine, hygiene and welfare.

Kaifu Plans No 'Concrete' Middle East Initiative

OW0608131090 Tokyo KYODO in English 1231 GMT 6 Aug 90

[Excerpts] Tokyo, Aug. 6 KYODO—Prime Minister Toshiki Kaifu will have no concrete peace initiative during his upcoming August 15-27 trip to the Middle East in the wake of Iraqi's invasion of Kuwait, a top Foreign Ministry official said Monday. Rather, Vice Foreign Minister Takakazu Kuriyama told reporters, Kaifu will take the opportunity to explain to his counterparts in the region Japan's stance on the situation in Kuwait and its policy toward the Middle East as a whole.

Kuriyama said that there are no changes at present in the schedule of Kaifu's August 15-27 visit to Saudi Arabia, Egypt, Jordan, Oman, and Turkey. Kaifu also plans stopovers in Thailand and Finland. The realization of Kaifu's visit as planned largely depends on whether or not the Iraqi-Kuwait conflict will spill over to neighboring Saudi Arabia, Foreign Ministry sources said.

Iraqi forces have reportedly dug into position along the Kuwaiti side of the Saudi border, while the U.S. has indicated that it would strongly retaliate for any Iraqi moves against its strategic ally and important source of petroleum. Kuriyama, meanwhile, called on Iraq to "pay serious heed" to international opinion and withdraw its troops from Kuwait "both in form and in fact." Iraq should consider "the weight of the measures already adopted and those under consideration" by such countries as Japan, the United States, and the European Community (EC), he said. [passage omitted on background]

Kuriyama said Japan is consulting with other countries with significant numbers of nationals in Iraq and Kuwait on ways of ensuring their safety in the wake of reported threats against their nationals. The Iraqi-installed provisional government in Kuwait has reportedly warned that countries who have implemented punitive measures against it and Iraq "have to remember that they have interests and citizens in Kuwait."

The Japanese Embassy in Kuwait reported on Monday that 72 Japanese have taken refuge in the embassy out of fear of retaliatory actions being taken against them. There are an estimated 270 Japanese in Kuwait and some 500 in Iraq, Foreign Ministry officials said. Japanese diplomats in Baghdad called on the Iraq Foreign Ministry on Sunday to ensure the safety of Japanese nationals and to facilitate their smooth departure from Iraq and Kuwait, a top Foreign Ministry official said. A similar representation was made on the same day to the Iraqi Embassy in Tokyo, the official said.

Watanabe Says Gorbachev Visit Not 'Confirmed'

OW0308165390 Tokyo NHK General Television Network in Japanese 1000 GMT 3 Aug 90

[Text] Prime Minister Kaifu, in a speech he gave today in Karuizawa, Nagano Prefecture, said that the Soviet Union disclosed its plan to arrange President Gorbachev's visit to Japan in March next year. According to Kaifu, this plan was presented at the recent working-level talks between Japan and the Soviet Union in Moscow.

Prime Minister Kaifu gave the speech at a meeting with officials of the Tokyo Chamber of Commerce and Industry held in Karuizawa, Nagano Prefecture. In the speech, the prime minister disclosed that, at the recent Japanese-Soviet working-level talks in Moscow, the Soviet side officially indicated for the first time its desire to arrange President Gorbachev's visit to Japan next March. He said that he looks forward to President Gorbachev's visit to Japan in the hope that it will serve as an opportunity to help find a possible solution to the settlement of the northern territories issue. Deputy Vice Foreign Minister [Foreign Ministry spokesman] Watanabe commented on the Kaifu speech in a news conference this evening. He said that the Foreign Ministry has not yet confirmed the Soviet plan for President Gorbachev's visit to Japan next March, since the information was not conveyed through government-level channels.

Official To Seek PRC Help for Cambodian Plan

OW0408025090 Tokyo KYODO in English 0213 GMT 4 Aug 90

[Text] Bangkok, Aug. 4 KYODO—Japan will dispatch a senior Foreign Ministry official to China to solicit Beijing's help in getting the Khmer Rouge to agree to a Cambodian peace plan, Foreign Minister Taro Nakayama said Saturday. Nakayama told reporters here at the conclusion of his 11-day Southeast Asian tour that the Ministry's Asian Affairs Bureau Chief Sakutaro Tanino will confer with Chinese officials over the possible creation of a Supreme National Council (SNC), a proposed provisional government to rule Cambodia pending the election of a permanent government.

China is the main backer of the Khmer Rouge, the strongest faction militarily among the tripartite Cambodian resistance forces. The Khmer Rouge torpedoed Japan's first attempt to broker a workable peace plan by refusing to endorse such an SNC-centered plan which has been agreed to by all other warring factions at a peace conference in Tokyo in June. Japan is committed to seeking the early setup of the SNC, envisioned to comprise both the Vietnam-backed Heng Samrin government in Phnom Penh and the three-party resistance coalition nominally headed by Prince Norodom Sihanouk.

Another Japanese diplomat, Bangkok-based Minister Yukio Imagawa, is scheduled to visit Cambodia next week for direct talks with the Hanoi-installed Phnom Penh government which Tokyo does not recognize. Saying "there is not much time," Nakayama pledged to make utmost effort to achieve agreement on establishing such an SNC before the next General Assembly meeting of the United Nations to be convened next month. Japan will cooperate with Thailand in the initiative and Thai Prime Minister Chatchai Chunhawan will play a key role in the matter, Nakayama said.

Nakayama earlier visited Jakarta to attend an expanded session of the Association of Southeast Asian Nations (ASEAN), then flew to Singapore for the Asia-Pacific Economic Cooperation (APEC), and subsequently visited Laos where he pledged economic cooperation as the first Japanese cabinet member to visit since the communists took power in Laos in 1975. He will fly back to Tokyo on Sunday. On former Prime Minister Noboru Takeshita's visit to China next month to attend the Asian Games in Beijing, Nakayama said other political figures will accompany Takeshita but not any such high-ranking officials as cabinet members. Nakayama noted the evacuation of Japanese nationals in Kuwait following the invasion by Iraq has so far gone smoothly. He added that Prime Minister Toshiki Kaifu will visit Egypt, Saudi Arabia, and other Middle East nations as planned later this month.

Forecasters Warn Typhoon May Hit Kanto Region

OW0308154290 Tokyo KYODO in English 1328 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—A middle-sized typhoon inching northward in southern Pacific waters off Tokyo may hit the mainland by Saturday, weather forecasters warned Friday. Heavy rain will precede the typhoon before it sweeps inland, the Meteorological Agency said. The typhoon, the 10th this year, was spotted traveling north at an hourly speed of 15 kilometers at a point some 120 kilometers south of Hachijo Island, south of Tokyo, at 6:00 P.M. [0900 GMT] Friday, the agency said.

Gusty winds with a maximum speed of 35 meters per second (126 kilometers per hour) were clocked in the center of the typhoon which registered 965 millibars on the barometric pressure gauge. Winds of over 25 meters per second (90 kilometers per hour) were blowing in a radius of 120 kilometers from the center and over 15 meters in an area of 350 kilometers from the typhoon, it said. The center of the seasonal typhoon is expected to reach a point some 50 kilometers south-southeast of Cape Nojima in Chiba Prefecture by 6:00 P.M. [0900 GMT] Saturday, then drench Boso Peninsula, forecasters said. Rough seas and heavy rain will follow in its wake on the coast of Kanto, with precipitation amounting to around 100 millimeters in mountaneous parts of the metropolitan areas and between 100 millimeters to 150 millimeters at Izu Peninsula, west of the metropolis, they said. However, the rainfall will not be enough to help ease the current shortage of tap water supply resulting from a drought which has dried up reservoirs in the upper reaches of River Tone, the lifeline for Tokyoites north of the metropolis, they added.

Employment, Work Force Statistics Noted for Jun

OW3107013490 Tokyo KYODO in English 0047 GMT 31 Jul 90

[Text] Tokyo, July 31 KYODO—Japan's seasonally adjusted unemployment rate stood at 2.2 percent in June, up 0.1 point over May, a preliminary government report showed Tuesday. The number of unemployed in June totaled 1.32 million, a decline of 20,000 or down 1.5 percent from a year before, and consisted of 740,000 men and 580,000 women. The seasonally adjusted unemployment rate has drifted between 2.0 and 2.2 percent since June 1989.

The size of the work force, including the unemployed, was 64.69 million in June, an increase of 960,000 or up 1.5 percent from a year ago, said the report released by the Management and Coordination Agency. The male work force totaled 38.16 million, up 1.4 percent and female 26.53 million, up 1.7 percent. Those in work totaled 63.37 million in June, an increase of 980,000 or up 1.6 percent over a year earlier, comprising 37.42 million men and 25.95 million women. A breakdown of those in work showed there were 9.01 million self-employed, down 3.9 percent from a year ago, 5.39 million family workers, down 3.8 percent, 48.75 million salaried workers, up 3.3 percent.

By industry, agriculture-forestry accounted for 4.68 million, down 1.5 percent over a year ago, construction 6.16 million, up 6.9 percent, manufacturing 15.46 million, up 1.6 percent, wholesale-retail and food services 13.98 million, down 0.3 percent, and services 13.90 million, up 2.4 percent. The Labor Ministry said the ratio of job openings to job seekers in June stood at a seasonally adjusted 1.47, up 0.06 point over May. The ratio in June was the largest in more than 16 years. It was 1.55 in February 1974. The figure means there were 147 job openings for every 100 job seekers in June, Labor Ministry officials said.

Mongolia

Further Legislative Elections Scheduled 26 Aug

LD0608084690 East Berlin ADN International Service in German 0621 GMT 6 Aug 90

[By ADN Correspondent Hugo Kroepelin]

[Text] Ulaanbaatar (ADN)—The People's Great Hural elected on 29 July is to meet on 3 September to elect the first president of Mongolia. The legislature is also to set up a small hural which in the future will be in permanent session and represent the legislative organ. However, election campaigning will return in a few weeks since neither the national legislative nor many of the local bodies are complete. (Shugderdemidiyn) Gurragchaa, chairman of the Central Electoral Commission, told journalists that the results in 492 electoral districts and constituencies were declared invalid for various reasons and that in 16 areas and capital electoral districts intensive checks are still underway. At present 34 of the 430 seats in the legislature are still vacant. In the capital's people's representation 27 of 150 deputies still have to be decided. These elections are are take place on the last Saturday of August [26 August], Gurragchaa announced.

In this way the electoral commissions will have the time to iron out their mistakes. This offers all parties the opportunity to put up their candidates who were previously defeated in the ballots. For the Social Democrats this applies above all to party chairman Bat-Erdeniyn Batbayar. Thus leading members of the Democrats (Nindish), Batuul, Elbegdorj, and (Shargalsaihan) as well as the lawyer Ganbold of the National-Progressives, who trailed MPRP [Mongolian People's Revolutionary Party] Chairman Ochirbat by only 200 votes, will still have a chance.

North Korea

More Reportage on Pan-National Rally Preparation

Overseas Promotion Official Arrives

SK0408053390 Pyongyang KCNA in English 0507 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—Im Min-sik, general secretary of the overseas promotion headquarters arrived here Friday to participate in the third preliminary contact for the preparation of the Pan-National Rally for peace and reunification of the country.

The representative was warmly met at the airport by vice-chairmen of the North side's preparatory committee of the Pan-National Rally Yo Yon-ku and Chon Kum-chol and a large crowd with sentiments of kinship.

The cheering people enthusiastically welcomed the representative, shouting "national reunification" and "Korea is one".

Representative Im Min-sik made public a statement on his arrival in Pyongyang at the airport.

Noting that the fellow countrymen in the South of Korea and overseas are concentrating their attention on the efforts to bring to success the Pan-National Rally to be held in the significant days on the 45th anniversary of the national liberation, he said in the statement: It is significant to hold the final talks here in Pyongyang for the successful the first meeting of non-governmental level since the division of the country.

He called upon the 70 million fellow countrymen desirous of national reunification to unite as one and fight to the end for the day of national reunification.

Venue of Rally Discussed

SK0508142590 Pyongyang Domestic Service in Korean 1225 GMT 5 Aug 90

[Text] A spokesman of the North side's preparatory committee for the Pan-National Rally answered questions raised by a KCNA reporter in connection with the abrupt proposal to change the venue of the rally made on 4 August by Cho Song-ho, senior secretary of the South side's promotion headquarters for the Pan-National Rally. His answers follow:

The plan to hold the Pan-National Rally in Panmunjom on 15 August was already discussed and decided upon at the first round of preliminary contacts and was again confirmed during the second round of preliminary contacts held in Seoul.

Prior to this, the rally for promotion of national reunification held in Pyongyang in July last year unanimously resolved to hold the Pan-National Rally in Panmunjom. However, Cho Song-ho, senior secretary of the South side's promotion headquarters, abruptly proposed to change the venue of the rally, which is not a meeting of merely one or two persons but a pan-national meeting in which approximately 2,000 people at home and from abroad will participate, only a few days before the rally. We are not certain at this moment whether this proposal is a decision reflecting the will of opposition groups in South Korea, including the National Council of University Student Representatives [Chondaehyop] and the National Democratic Alliance of Korea [Chonminnyon]. However, the fact that the issue on the venue of the rally is now raised belatedly cannot be regarded as normal.

We consider that the holding of the Pan-National Rally separately in Pyongyang and Seoul is itself not consistent with the essential purpose of the rally. Furthermore, since the rally is to be held for peace and the reunification of the fatherland, it is not necessary to hold it separately in two places in the North and the South.

Even from the working-level standpoint, preparations for the Pan-National rally did not start yesterday or today but have been pushed ahead for a long period of two years, and these preparations are, in actuality, in a stage of completion today.

All material and (?technical) means to ensure the holding of the rally have been already perfectly provided in Panmunjom, which is designated as the venue of the rally, and the schedule of the rally has also been concretely established.

Therefore, we, recognizing that only confusion will be created before the rally if its venue is changed today to other places, maintain that the Pan-National Rally be held in Panmunjom as agreed.

We think that all democratic organizations in South Korea, including Chonminnyon, Chondaehyop, and the National Federation of Trade Unions, will share our view. We firmly believe that they will participate in the Panmunjom Pan-National Rally as scheduled.

Concerning the proposal of the South side's promotion headquarters for the Pan-National Rally to hold cultural events and seminars in Pyongyang and Seoul in a manner of cross-visits during the period before and after the rally, the spokesman said:

We agreed that the cultural events to be held during the period of the Pan-National Rally will be held not in a manner of performances by the professional art troupes but in the form of free participation by the delegates themselves.

Therefore, sending a large-scale art troupe to the other side for a performance is far from from the agreement already reached by the three parties. However, we want to affirmatively consider such proposals. We think that mutually exchanging large-scale art troupes and allowing them to give performances in the other side's area by taking advantage of opportunities of seminars and cultural events on the premise that the Pan-National Rally is held in Panmunjom as agreed on is a good thing. In this case, needless to say, interference by the South

Korean authorities and participation of anticommunist splittist organizations, which they will attempt to infiltrate, will be excluded.

South's Headquarters Inaugurated

SK0408053190 Pyongyang KCNA in English 0502 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—The South Side's headquarters for promoting the Pan-National Rally was formally inaugurated at a meeting in the auditorium of Koryo University in Seoul on August 3, with the attendance of promotion members of various circles, citizens, students and others, more than 1,000 all told, according to a report.

The promotion headquarters, representing the entire people of South Korea, declared that it will prepare the August 15 Pan-National Rally as a grand festival for reunification with all of patriotic people in attendance.

The participants of the meeting said that though the present "regime" has all along obstructed and suppressed the reunification movement of the people, they will not stop the struggle for peace and the reunification of the country in any adversities. They adopted a six-point resolution including the struggle for the adoption of a North-South nonaggression declaration, withdrawal of nuclear weapons and overall disarmament.

The meeting elected co-chairman of Chonminnyon Yi Chang-bok and chairman of Onnonyon Kwon Yong-kil and 13 others co-chairmen of the headquarters and selected 34 public figures of different circles as advisors.

The headquarters elected co-chairman of Chonminnyon Kim Sang-chin who was a delegate to the second preliminary contact and five others delegates to the third preliminary contact slated in Pyongyang.

Headquarters Formation Welcomed

SK0408022690 Pyongyang Domestic Service in Korean 2351 GMT 3 Aug 90

[Statement by the North side's preparatory committee for the Pan-National Rally—read by announcer]

[Text] As already reported, in its inaugural meeting on 3 August, the South side's promotion headquarters for the Pan-National Rally was inaugurated officially in South Korea. In its inaugural meeting, the South side's promotion headquarters—which was organized with people from all social strata in South Korea—declared that it will prepare the Pan-National Rally as a forum of reunification, in which all patriotic masses will participate and that it will not stop its struggle for peace and reunification of the fatherland under any adverse situation. It will defy the South Korean authorities' hindrance and suppression of the popular masses' reunification movement. The promotion headquarters then adopted a six-point resolution, including the conclusion of a peace agreement, the conduct of a pannational movement for the declaration of nonaggression between the North and the South, and the struggle for the withdrawal of nuclear weapons and for the overall reduction of military strength.

In the meeting, the South side's promotion headquarters elected 15 co-heads [ponbujang] of the headquarters and 32 advisors, and designated six people, including cochairmen of the National Democratic Alliance of Korea [Chonminnyon], as its delegates to the third round of preliminary contact, which will be held in Pyongyang on 6 August.

The inauguration of the promotion headquarters composed of broad segments of political parties, groups, and people from all social strata in South Korea on the threshold of the holding of the Pan-National Rally is a very positive development. It pledges the successful holding of the rally and greatly encourages the compatriots at home and abroad who have risen up in the march for reunification.

The people in the northern half of the republic receive with infinite trust and great joy the news that in defiance of their difficult circumstances, the patriotic figures in the South are now steadily accelerating, with certainty, preparations for significantly greeting the Pan-National Rally without renouncing their firm intention of reunification.

In believing that the formation of the South side's promotion headquarters will mark an important occasion in reliably guaranteeing the success of the rally, and in expanding and developing the reunification movement in South Korea, the North side's preparatory committee for the Pan-National Rally warmly supports and welcomes the formation of the headquarters.

The inaguration of the South side's promotion headquarters on the foundation of the broad masses this time is the stern counterattack against the South Korean authorities' antireunification maneuvers to break off the Pan-National Rally by claiming the so-called theory of participation of people from all social strata. This is, therefore, a great victory of the reunification and patriotic forces over the splittist forces.

The successful inauguration of the South side's promotion headquarters for the pannation clearly shows that the Pan-National Rally has won absolute support from the South Korean people and that the South Korean authorities cannot reverse public sentiment, which is gravitating toward the rally, with any maneuvers and suppression. With the inauguration of the South side's promotion headquarters, the historic Pan-National Rally will be magnificently held amid the unanimous support and encouragement of all the Korean compatriots in the North, the South, and overseas who desire reunification of the country. The prospect of the reunification movement being turned into a great nationwide reunification march in the future has begun.

In firmly believing that the South side's promotion headquarters will make important contributions to making the Pan-National Rally to be held in Panmunjom a historic site of great national reconciliation, we express our great expectation toward the visit to Pyongyang by the six delegates to the third round of preliminary contact who were elected in the inauguration meeting.

No procedures or conditions will be necessary in the passage of the South side's delegates to the the round of preliminary contact through our side's area in Panmunjom. We will receive them with warm compatriotic love and will guarantee the security of their personal safety.

The South Korean authorities should not hinder the preparatory work of the South side's promotion headquarter for the Pan-National Rally and should not block the visit to Pyongyang of the South side's delegates to the third round of preliminary contact.

We will make all possible efforts to successfully hold the third round of preliminary contact in Pyongyang and, thus, to magnificantly hold the historic Pan-National Rally by pooling our strength with the South side and overseas promotion headquarters.

North side's preparatory committee for the Pan-National Rally

4 August 1990, Pyongyang

Preparatory Committee Comments

SK0408052590 Pyongyang KCNA in English 0443 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—The South Korean authorities must not obstruct the work of the South side's promotion headquarters for the preparation of the Pan-National Rally nor bar the delegates of the South side from visiting Pyongyang to participate in the third preliminary contact, says the North side's preparatory committee for the Pan-National Rally in a statement August 4.

Recalling that the South side's promotion headquarters for the Pan-National Rally which was inaugurated on August 3 declared at the inauguration meeting that it would make the Pan-National Rally a meeting for reunification in which all the patriotic-minded people would take part, the statement says:

At the inaugural meeting the South side's promotion headquarters elected 15 co-chiefs of the headquarters and 34 advisors to it and confirmed 6 people including the co-chairman of the "Coalition for National Democratic Movement" (Chonminnyon) as the delegates to the third preliminary contact slated in Pyongyang on August 6.

Believing that the inauguration of the South side's promotion headquarters will be an important occasion in reliably guaranteeing a success of the rally and expanding and developing the reunification movement in South Korea, the North side's preparatory committee for Pan-National Rally warmly hail and support it together with the entire people in the Northern half of the republic.

The creation of the South side's promotion headquarters on a broad massive foundation this time is a decisive counterblow to the anti-reunification intrigues of the South Korean authorities who are trying to foil the Pan-National Rally with the "all strata doctrine" and is a great victory of the patriotic forces for reunification over the separatist forces.

The formation of the South side's headquarters for the promotion of the Pan-National Rally makes it possible to successfully hold the historical rally amid unanimous support and solidarity of the entire Korean compatriots in the North, South and overseas who desire the country's reunification and open up a new prospect for turning the reunification movement into a nationwide reunification march.

Expressing the belief that the South side's promotion headquarters will make an important contribution to the holding of the Pan-National Rally in Panmunjom as a historical gathering for great national unity, we repose [as received] great expectations in the Pyongyang visit of the six delegates to the third preliminary contact who were selected at the inauagural meeting.

In passing through our side's portion of Panmunjom, the delegates of the South side to the preliminary contact will need no formalities and condition. We will meet them with warm of compatriotic love and guarantee their personal safety.

We will make all our efforts to successfully have the third Pyongyang preliminary contact and grandly open the historical Pan-National Rally in cooperation with the South and overseas promotion headquarters.

Safety Memorandum Not Delivered

SK0608001090 Pyongyang Domestic Service in Korean 2324 GMT 5 Aug 90

[Text] In Panmunjom, our side's liaison delegates who are supposed to deliver the memorandum by the authorities of our side guaranteeing the personal safety of the delegates of the South side's promotion headquarters who will be participating in the third preliminary contact for the preparation of the Pan-National Rally are unable to deliver the memorandum because the South side's liaison delegates failed to show up.

As has already been reported, Yun Ki-pok, chairman of the North side's Preparatory Committee for the Pan-National Rally, on 1 August sent a telephone message to the South side's prime minister, saying that if the South side's delegates come to our side's area through Panmunjom, our side will warmly greet them, guide them, and our side's authorities will guarantee their personal safety, and that our side will deliver the memorandum of the authorities of our side guaranteeing the personal safety at the conference room of the Neutral Nations Supervisory Commission at 0800 on 6 August.

At 0730 this morning, our side demanded, through the hot line, that the South side also send its working delegates to the conference room. However, the South side did not answer our side's telephone message, and as of this moment have not sent the working delegates who will receive the memorandum of the authorities of our side guaranteeing the personal safety of the South side delegates who will participate in the third preliminary contact for the preparation of the Pan-National Rally.

South Said 'Blocking' Passage

SK0608060090 Pyongyang Domestic Service in Korean 0414 GMT 6 Aug 90

[Statement of spokesman for the North side's preparatory committee for the Pan-National Rally dated 6 August—read by announcer]

[Text] As has already been known, the third round of preliminary contacts for the Pan-National Rally by the delegates of the North, the South, and the overseas side was scheduled to be held in Pyongyang today. Because this preliminary contact was to be held only eight days before the historic Pan-National Rally, all the Korean people sincerely hoped that the third round of preliminary contacts would certainly be held with the participation of the delegates of the North, the South, and the overseas side. The democratic and reunification-aspiring organizations in South Korea, such as the National Democratic Alliance of Korea [Chonminnyon], the National Council of University Student Representatives [Chondaehyop], and the National Council of Labor Unions [Chonnohyop], officially formed the South side's promotion headquarters for the Pan-National Rally on 3 August and made clear their will to participate in the third round of preliminary contacts, moving ahead in various ways with the preparatory work for it.

The North side's preparatory committee for the Pan-National Rally attached great significance to the third round of preliminary contacts to be held in Pyongyang and thoroughly carried out its preparatory work. Hoping that the delegates of the South side's promotion headquarters would participate in this contact, it formed even a welcoming group to warmly greet them and sent it to Panmunjom.

However, this time again, the delegates of the South side's promotion headquarters could not come to Panmunjom because of the mean obstructive maneuvers of the South Korean authorities, and the members of our side's preparatory committee and the welcoming group that were sent to Panmunjom from Pyongyang hundreds of ri away had to return.

The South Korean authorities, which have obstructed the participation of the delegates of the South side's promotion headquarters in the third round of preliminary contacts with the so-called theory of participation by people of all walks of life, mobilized no fewer than 5,000 police troops and blocked with bayonets the passage of the delegates of the South side's promotion headquarters and the group to see them off, which were heading for Panmunjom.

The South Korean authorities blocked the visit to Seoul by the delegation of the North side's preparatory committee yesterday with an absurd and unreasonable precondition and blocked the visit to Pyongyang by the delegation of the South side's promotion headquarters today under the pretext of so-called participation of people from all walks of life. This is an anti-national and anti-reunification crime that no one can tolerate.

We sternly denounce the violent act of the South Korean authorities, which blocked the visit to Pyongyang by the delegation of the South side's promotion headquarters for the Pan-National Rally this time again despite the strong protest and denunciation by all fellow countrymen, as a vicious challenge to the aspiration and yearning of all the Korean people for the successful holding of the Pan-National Rally and a heinous crime running counter to national reconciliation, unity, and reunification.

By blocking the visit to the North by the delegation of the South side's promotion headquarters for the Pan-National Rally, the South Korean authorities have shown to the people of the world once again how persistently and shamelessly they are maneuvering to frustrate the Pan-National Rally.

Since the Pan-National Rally was placed on the agenda, the persons in authority in South Korea have considered the proposal for convening the rally by South Korea's organizations for reunification and democracy as a crime and have suppressed the people involved in this proposal by all means. In particular, early last year, they crafted a fascist suppressive order known as the political situation dominated by security affairs and forcibly arrested and took away to Seoul the delegates of Chonminnyon who were on their way to Panmunjom to attend the preliminary talks for the Pan-National Rally. Moreover, seizing the opportunity of the visit to Pyongyang by Rev. Mun Ik-hwan, an adviser to Chonminnyon, the South Korean authorities put behind bars all the Chonminnyon leaders and handed out heavy sentences. During their commotions of searching for people from all walks of life, they arrested and detained them at random.

The South Korean authorities more persistently and cunningly kicked up maneuvers to frustrate the Pan-National Rally at the time when it became clear that the rally will be convened as a result of the resolute struggle by the people of all walks of life in the North and South and overseas. The persons in authority in South Korea prevented the delegates of Chonminnyon from attending last February's first preliminary contact in Berlin. Also, in late July, they blocked the delegates of the North side's preparatory committee from attending the second preliminary contact in Seoul.

By mobilizing some 5,000 policemen, the persons in authority in South Korea blocked the delegates of the South side's promotion headquarters from attending the third preliminary contact in Pyongyang. In this way, the South Korean authorities again clearly proved that the grand national exchange or follow-up measures that they are talking about is all false and mere propaganda designed to resolve the internal crisis.

Those who make a fool of the nation with regard to dialogue and reunification will have no place within the nation. If, after turning a blind eye to the whole nation's earnest desire for reunification and the trend of the times, the persons in authority in South Korea think that they can block the road of national and democratic forces from all walks of life in South Korea—who aspire for national reconciliation and unity and reunification—by using strong-arm measures and slander, this will be a big miscalculation. If the persons in authority in South Korea run wild to frustrate the Pan-National Rally, they will not be able to escape from the stronger criticism and denunciation of public opinion at home and abroad.

No matter how persistently the persons in authority in South Korea may kick up maneuvers to hinder the Pan-National rally, the united efforts by forces for reunification and democracy and wide-ranging popular masses in the North and South and overseas will open the Pan-National rally as the great festival of national unity and reunification without fail.

We firmly believe that the South side's promotion headquarters for the Pan-National Rally will continuously and vigorously conduct a struggle to participate in the Pan-National Rally after overcoming the fascist authorities' suppression and interferences. Also, seizing this opportunity, we hope that the people of all countries of the world who love justice and peace will further raise their voices of denouncing the unjust maneuvers by the South Korean authorities which are pursuing confrontation and division and blocking the road toward peaceful reunification.

[Dated] 6 August 1990, Pyongyang

Premier Sends Message to South on Travel Issue

SK0408090190 Pyongyang Domestic Service in Korean 0700 GMT 4 Aug 90

[Text] The premier of the DPRK State Administration Council sent a telephone message to the South Korean prime minister.

The message reads:

To Kang Yong-hun, prime minister of the ROK [taehanminguk]

We have received your message dated 30 July. In the message you adopted an attitude of avoiding responsibility for not having realized visits and exchanges between the North and South. I express deep regret over this. It is entirely due to your side's insincere attitude that free travel and full-scale opening between the North and South have not been realized.

As you know, the respected and beloved President Kim Il-song stated his intention to realize free travel and full-scale opening between the North and South after pulling down the wall of division in his New Year's address and his historic speech at the first session of the Ninth Supreme People's Assembly, and he advanced a new five-point policy on national reunification for national peace and peaceful reunification.

With a view toward implementing the respected and beloved President Kim Il-song's policy on national reunification, the Committee for Peaceful Reunification of the Fatherland declared the opening of the North side's area at Panmunjom beginning 15 August in a statement released on 5 July, making clear our side's principled stand on contacts and visits between the North and South.

Also, in my letter to you dated 21 July, I proposed the formation of a North-South joint committee to promote the tearing down of the wall of division, and I once again called on your side to convene a consultative meeting of the heads of the authorities and leaders of political parties in which the highest-level officials of the North and South discuss the realization of free travel and full-scale opening between the North and South as a whole, and I proposed to hold a working contact concerning this on 27 July at Panmunjom.

All such proposals from us are epoch-making measures capable of implanting new hope for national reunification in the hearts of the fellow countrymen who have suffered from division for nearly half a century; of bringing to them the joy of free travel and reunion; and of hastening the cause of national reunification.

If your side is really interested in free travel and full-scale opening between the North and South, your side should accept our proposals without any preconditions.

However, your side did not show up in the working contact that we proposed to hold on 27 July, but substituted it with such things as proposals for working talks between the legal authorities or working talks between the military authorities, and your side has recently blocked even extremely limited visits, not to mention full-scale visits between the North and South.

Even after stating that your side would permit the visits of the delegates of our side's preparatory committee to Seoul to attend the second preparatory contact for the Pan-National Rally and the visits of the delegates of the National Democratic Alliance of Korea [Chonminnyon] to Pyongyang without any conditions, your side persistently refused the visit of our side's delegates to Seoul, while obstructing in many ways the visit of the Chonminnyon delegates to Pyongyang, using illegal excuses. These are the cases in point.

When your words and actions are at odds, your side proves that the great national exchange is from start to finish propaganda and advertising designed to deceive public opinion at home and abroad. If your side is really willing to realize free travel between the North and South, we believe that your side should at least stop staging a clumsy farce mocking the nation, and, as a matter of immediacy, allow the delegates of the Chonminnyon intent on taking part in the third preliminary contact for the Pan-National Rally to visit Pyongyang and allow a consolatory team that wants to visit coed Yim Su-kyong to go to the South side as proposed by the chairman of the Korean Struggle Committee for the Release of Yim Su-kyong.

At the same time, we consider that your side should accept the proposal that we have already put forward for convening a consultative meeting of the heads of the authorities and leaders of political parties in which the highest-level officials from the North and South take part to discuss the issue of pulling down the concrete wall and free travel and full-scale opening between the North and South and respond to working contacts between the two sides for the consultative meeting at the earliest possible date.

When the working contact between the heads of the authorities and leaders of political parties for the discussion of the convening of a consultative meeting between the heads of the authorities and leaders of political parties of the North and South is held, we can even discuss together issues your side has raised.

Considering it will be better if the working contact between the heads of the authorities and leaders of political parties of the North and South is held at the earliest possible date, we leave it to your side to designate any date at your convenience.

[Signed] Yon Hyong-muk, premier of the State Administration Council of the DPRK
[Dated] 4 August 1990

North Side Demands MAC Meeting 9 Aug

SK0408155390 Pyongyang KCNA in English 1516 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—Our side to the Military Armistice Commission (MAC) today proposed the U.S. side to hold the 457th MAC meeting at 11:00 August 9.

South 'Puppets' Commit 'Military Provocation'

SK0408140890 Pyongyang Domestic Service in Korean 1312 GMT 4 Aug 90

[Text] The South Korean puppets committed a military provocation in the Demilitarized Zone [DMZ] against our side.

The South Korean puppets today committed a military provocation by unilaterally doing repair work on a Military Demarcation Line [MDL] marker, which is under our side's supervision, by driving scores of armed hooligans into the area near MDL Marker No. (1120).

The MDL markers in this area are under our side's supervision according to the Armistice Agreement and agreement between the two sides.

In spite of this, the South Korean puppets on 2 August raved through a frontline broadcast that the locations (?indicating) the Demarcation Line should be decided upon. Following this, at around 1655 today, they infiltrated armed hooligans into our side's area in the DMZ without any agreement with our side and unilaterally let them engage in repair work of a marker which is under our side's supervision.

This is a wanton violation of the Armistice Agreement and agreements between the two sides and is an undisguised act of aggression against our side.

The U.S. imperialists and the South Korean puppets should ponder the grave consequences which can be brought about by such military provocations within the DMZ, along which armed personnel of both sides are deployed, and should act with discretion.

Senior MAC Member Sends Protest

SK0608051190 Pyongyang KCNA in English 0457 GMT 6 Aug 90

[Text] Kaesong August 5 (KCNA)—Maj. Gen. Choe Ui-ung, senior member of our side to the Military Armistice Commission, today sent a message to the senior member of the U.S. side protesting against the grave military provocations committed by the enemies in the eastern sector of the front.

The message says that at around 16:55 on August 4 the enemy side brought many military personnel armed with automatic weapons around area MDL [Military Demarcation Line] marker No. 1122 under the pretext of "repair work".

According to the agreement reached by the two sides after the ceasefire, the MDL marker in this area is under the control of our side, it notes, and goes on:

Therefore, the MDL marker "repair work" in this area cannot be raised at all on the part of your side.

It is preposterous to talk about the "repair" of the marker at a time when the entire people in the North and the South and the whole world are longing for the reunification of Korea.

Your side's massing of many military personnel on the MDL with a clamour about the "repair" of the marker is a deliberate provocation which may cause a conflict between the two sides.

Such act is a wanton violation of the Pharagraphs 6 and 10 of the Armistice Agreement and the point agreed upon between the two sides.

Our side lodges a strong protest with your side against the recent never-ceasing military provocations against our side and demands an immediate step to prevent a possible conflict.

Further on Protest

SK0508103090 Pyongyang Domestic Service in Korean 0908 GMT 5 Aug 90

[Text] Our side's senior member to the Military Armistice Commission [MAC] sent a message of protest to the senior member of the U.S. side.

Major General Choe Ui-ung, our side's senior member to the MAC, sent a message of protest to the senior member of the U.S. side in connection with a grave military provocation committed by the enemy on the eastern front. The message reads:

At around 1655 [0755 GMT] on 4 August, the enemy side sent a number of military personnel armed with automatic weapons to a spot near the Military Demarcation Line [MDL] marker No. 1122 on the pretext of wanting to do repair work.

The MDL markers in this area are under our side's control according to an agreement reached between the two sides after the armistice. Therefore, the issue of repair work on MDL markers in this area should not be even be raised by the enemy side.

The abrupt talk about repair work on MDL markers when all people in the North and the South and the entire world are hoping for Korea's reunification is itself endlessly preposterous.

The enemy side's infiltration of numerous armed soldiers to the MDL while talking about repairing markers is an intentional provocation aimed at triggering a clash between the two sides. This act is a flagrant violation of Paragraphs 6 and 10 of the Armistice Agreement and of points agreed upon between the two sides.

Our side makes a strong protest to the enemy side against military provocations repeatedly committed by the enemy side recently and sternly denounces them. We strongly demand that the enemy side take prompt measures to prevent clashes.

New Protest Lodged

SK0608061790 Pyongyang KCNA in English 0603 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—Maj. Gen. Choe Ui-ung, senior member of our side to the Military Armistice Commission, sent a message to the enemy side protesting the grave military provocations committed by it at the eastern sector of the front on August 5 following August 4.

According to the message, through a telephone message at 14:54 August 5 our side had lodged a strong protest with the enemy against its bringing many military personnel armed with automatic weapons to a spot near MDL [Military Demarcation Line] marker No. 1122 under the pretext of "repair" of a marker on August 4 and demanded an immediate stop to such provocation.

But the enemy side drove again a large number of armed personnel into the section between MDL markers Nos. 1120 and 1122 in the eastern sector of the front at around 16:00 on August 5 and committed a grave military provocation by touching the MDL markers which are under our side's control.

As we already noted clearly through the telephone message, the MDL markers in this section have been under our care and control according to an agreement reached between the two sides after the ceasefire.

Therefore, the enemies have no right to touch a MDL marker in that area.

This notwithstanding, the enemy side committed the military provocation again. It is plain that they are prompted by a sinister purpose to cause a shocking incident by cutting us to the quick.

Our side once again strongly protested such repeated provocations of the enemy as a grave challenge to us and a wanton violation of the Armistice Agreement and the agreement between the two sides and strongly demanded an immediate stop to them.

U.S. Congressman's Criticism of No Tae-u Noted

SK0408104590 Pyongyang KCNA in English 0959 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—Foglietta, member of the U.S. House of Representatives, reportedly lashed out at the No Tae-u "regime's" hypocritical "reunification policy."

In his article contributed to the LOS ANGELES TIMES July 27 he wrote that the South Korean authorities are using the reunification question to conceal their repressive policy and that their much-touted "debate on reunification" is "nothing but a smokescreen for veiling their scheme to abrogate the direct 'presidential' election system and human rights violations."

Reaction to Iraq-Kuwait Situation Reported

U.S. Government Response Viewed

SK0408154590 Pyongyang Domestic Service in Korean 1300 GMT 4 Aug 90

[Text] According to reports, the U.S. imperialists are assembling their naval forces on a large scale in the Gulf water area [mansuyok]. It was learned that U.S. President Bush on 2 August handed out an emergency order in connection with the assembly of 12 U.S. naval ships in the Gulf water area.

According to this order, a destroyer, four frigates, and a subsidiary command ship, which have been in mobilization activities in the Gulf water area for a long time, moved to the sea close to the border of Iraq and Kuwait, and a carrier group consisting of the carrier "Independence" and five escort vessels were promptly mobilized to the Gulf water area from the Indian Ocean.

The "Independence," which is notorious for its invasion of Grenada, is a large aircraft carrier carrying not only various fighters and fighter-bombers but also refueling planes. The carrier group with this ship as its flagship is known to be one of the important mobile strike forces which the U.S. imperialist aggressor forces depend on.

Holding an emergency news conference on 2 August, U.S. President Bush said that the large-scale assembly of such aggressor forces is related to Iraq's invasion of Kuwait, and raved that the United States will take necessary steps to protect its long-term vital interest in the Gulf water area.

Touching on the U.S. vital interest in the Gulf water area, he stated that nearly 50 percent of the demand of energy by the United States is being ensured by the Middle East area, and pointed out the issue of safety of Americans going into Kuwait.

As for the U.S. vital interest, it is an excuse the U.S. imperialists brought forward when they have invaded other countries, including the invasion of Grenada and Panama, and what it means is very clear.

In addition, Bush said that the current situation is a grave threat to U.S. security and diplomacy, and kicked up a racket by declaring a state of emergency in the nation.

'Apprehensions' Expressed

SK0608052890 Pyongyang KCNA in English 0520 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—Iraq and Kuwait are neighbouring countries and the same Third World countries. Therefore, disputes between the two countries should be settled peacefully in the interests of the two peoples.

So stresses NODONG SINMUN today in a commentary on the Iraq-Kuwait dispute.

We cannot but express apprehensions at the fact that the dispute between the two countries has turned to an armed conflict and a grave situation has been created in this region, the news analyst says, and goes on:

If disputes are expanded, outside forces may intervene to make the situation more complicated, and may try to fish in troubled waters.

We consistently maintain that the disputes among the Third World countries, non-aligned countries should be settled in a peaceful way through negotiations, not with recourse to arms.

We hope from this stand that the military action between Iraq and Kuwait will come to an early end and their dispute be settled peacefully.

The Iraq-Kuwait issue must be settled as early as possible in the interests of the two peoples and in the interests of stability of the overall international situation and peace.

Guidance of Party, Leader Leads to 'Victories'

SK0408110790 Pyongyang KCNA in English 1022 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—The basic source of all our victories and our people's conviction of victory lie in the party believing the people and the people following it. This is the main theme of an article of NODONG SINMUN today.

Today our people firmly believe that only when they advance under the guidance of the party and the leader, can they win victory in the revolution, getting over any difficulties, the author of the article says, and continues:

Dear Comrade Kim Chong-il has taught:

"It is the revolutionary conviction of the Korean communists that they can tide over any difficulties and emerge victorious without fail, only when they follow the guidance of the great Comrade Kim Il-song. This conviction has been firmly formed by our people through their own experience gained in the arduous struggle of more than half a century, from the period when they began to pave a new way of revolution under his leadership."

Now that challenge of the imperialists to stifle the cause of socialism is intensified as never before, fighting with the conviction of victory is an important matter which decides the future destiny of the revolution and the prospect of the country and the nation.

What is essential in the conviction of victory is the confidence in the greatness of the party and the leader, the rock-firm faith that only when they advance under the leadership of the party, can they emerge ever-victorious.

The firmness of our people's conviction of victory lies, above all, in brilliantly carrying forward the indomitable revolutionary spirit of the anti-Japanese revolutionary fighters who valiantly fought full of conviction of victory, sharing life and death with the great General Kim Il-song.

The firmness of our people's conviction of victory is based on the present great reality of the Korean revolution which is triumphantly advancing under the leadership of our party.

Our party set forth the unique ideology and theory,with its rare wisdom and great ideological and theoretical activities to accomplish the cause of our revolution under the banner of the chuche idea and wisely directed with its tested leadership ability the struggle to effect a new upswing in the revolution and construction.

The ideological and mental trait of our people firmly armed with the chuche idea has reached the most noble height and world-startling miracles and feats have been wrought in the nature-remaking, remoulding of a man and transformation of society. This is unthinkable apart from the leadership of our party.

Notably, it is the precious fruition of the tested guidance of dear Comrade Kim Chong-il that an epoch-making turn has been effected in the party work, the leadership function and militancy of the party strengthened in every way, and the powerful subject of the revolution, the integrated whole of the leader, the party and the people, built up.

Our people's conviction of victory is their firm belief in the greatness and invincibility of the party and their unshakable will to share life and death with the party for ever.

This is the core and content of our people's confidence.

The ideological and mental trait of our people who are following the party with conviction of victory is manifested on the most noble stage, adding lustre to the era of the Workers' Party.

The revolutionary trait of our people is to absolutely trust in the party and follow it any time and anywhere, entrust all destiny to it and remain boundlessly loyal to it. The trait is also to give full play to matchless devotedness and creative ingenuity in the implementation of the demands of the party and its line and policies, considering them to be the requirement of the noblest life.

It also lies in making continued innovation and uninterrupted advance toward a bright future without self-complacency.

The article stresses:

As they have a firm will of continued revolution to carry the revolution to completion, our people are dynamically advancing along the road of socialism, the road indicated by the chuche idea, without the slightest vacillation in face of the aggression and challenge of the imperialists and their cunning strategy of "peaceful transition". Our people are countering the anti-socialist campaign of the imperialists with their unshakable confidence that socialism of our own style, the embodiment of the chuche idea, is good and that they will in the future, too, build socialism better following the party.

The imperialists are now directing the spearhead of their attack to our Republic which is advancing under the uplifted banner of socialism, the banner of revolution but they will never block the powerful advance of our people who are struggling with the conviction of victory, united in one mind around the party and the leader.

South Korea

Police Block Delegation's Passage to Panmunjom

SK0608012890 Seoul Domestic Service in Korean 0100 GMT 6 Aug 90

[Text] A trip to Panmunjom by the South Korean side's delegation to the third preliminary working talks for the pan- national rally scheduled to be held in Pyongyang was frustrated by the police's wholesale blockade.

The South Korean side's delegation left for Panmunjom after a meeting at the Hall of Christians located in Yonji-tong, Seoul, at 0830 this morning.

When the bus carrying the delegation arrived in front of Naeyu checkpoint in Koyang County, Kyonggi Province, three police companies blocked the passage of the delegation on Tongil Road to Panmunjom with barricades.

Chonminnyon Prevented From Going to North

SK0608031190 Seoul YONHAP in English 0251 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (YONHAP)—A group of 12 South Korean dissidents were barred from going to Pyongyang to attend a preparatory session of the proposed pan-national rally in the North Korean capital Monday morning.

Defying the government's ban on their northbound travel via the truce village of Panmunjom, the group, along with some 50 supporters, departed in a bus, which was stopped at a police checkpoint at Pyokje, a town north of Seoul. The dissidents' attempt to break through the police barricade was frustrated.

Meanwhile, Chonminnyon, to which the group belongs, decided over the weekend to hold pan-national rallies on Aug. 15 in Seoul and Aug. 16 in Pyongyang as the government will not allow a rally in the truce village of Panmunjom, a spokesman for the organization of South Korean dissidents said Monday.

"This decision will be delivered to Pyongyang's preparatory committee by our delegation, which left for the northern city in the morning," the official said.

While the dissidents had a departure ceremony in Seoul for their delegates to a planning session for the Pyongyang session earlier Monday, the government remained firm in its decision not to allow their northward trip, saying the 12 delegates, all from Chonminnyon, cannot represent South Korean society in talks with North Koreans.

North Korean delegates were missing from a planning session for the rally in Seoul on July 26-27 because they refused to cross the border at Panmunjom, citing unreasonable intervention of the South Korean Government in a private event.

Chonminnyon, or the National Alliance of Democratic Movements, has told overseas rally organizers of the change, the spokesman said.

Radical students in several colleges in Seoul, protesting the government's ban, have vowed to stage anti-government rallies on their campuses and sneak into Panmunjom. Some 2,000 policemen have been deployed on the route to the border.

Chonminnyon, seeking a pan-national rally in any form or shape, has asked the North to hold an academic and culture festival in Seoul on Aug. 14-15 and in Pyongyang on the following two days.

Chonminnyon protested to the National Unification Board on Saturday against the decision to bar its participation in the inter-Korean rally unless it is accompanied by 58 conservative groups.

To expedite inter-Korean exchanges and national unification, Chonminnyon has aggressively pushed ahead with the plan to hold the first ever pan-national rally in Panmunjom.

Panmunjom Rally Rescheduled for Seoul, Pyongyang

SK0408103990 Seoul Domestic Service in Korean 1000 GMT 4 Aug 90

[Text] The headquarters for promotion of the pannational rally canceled its plan to hold the pannational rally in Panmunjom on 15 August, and decided to hold it in Seoul and Pyongyang for two days each.

Revealing that the convocation of the rally at Panmunjom is, in actuality, impossible, the promotion headquarters said that it decided to hold the pannational meeting alternately in Seoul for two days beginning 14 August and in Pyongyang for two days beginning 16 August, thus changing its original plan.

North's Latest Telephone Message on Travel Noted

SK0408101290 Seoul YONHAP in English 0925 GMT 4 Aug 90

[Text] Seoul, August 4 (OANA-YONHAP)—North Korea has renewed on Saturday its call for a meeting of high-level authorities and political party leaders between two parts of divided Korea to discuss free inter-Korean travel and entire opening of both sides, a South Korean Government official said.

North Korean Prime Minister Yon Hyong-muk, in a telephone message sent to his South Korean counterpart Kang Yong-hun earlier in the day, said that a decision on the timing of a preliminary contact for the proposed meeting will be left to the South's discretion, the official said.

Yon's message, seemingly a reply to a similar message sent to him from the Southern premier on July 30, is seen as a virtual rejection of Kang's call for a working-level meeting to discuss procedures for free cross-border travel proposed by President No Tae-u last month, the official said.

The North Korean premier criticized the South for hindering free inter-Korean travel and the entire opening of the two sides, according to the official.

In his July 30 message, Kang had urged that the North make a sincere reply to his proposal for the working-level talks until Aug. 7, at the latest, in consideration that it needed at least six days to prepare the cross-border travel from Aug. 13-17.

No, in his special statement on July 20, declared the South Korean Government will permit free cross-border travel by both South and North Koreans to promote exchange of people between the divided two Koreas. But the North rejected the offer and instead called for the meeting of high-level authorities and political party leaders from the two parts of Korea, calling for dismantling the so-called concrete walls in the Demilitarized Zone and abolition of the South's National Security Law. The South has said there is no concrete wall though there are anti-tank traps to block possible North Korean invasion routes.

Meanwhile, the North urged again the South in a separate statement to allow dissidents groups to visit Pyongyang to attend the third preliminary talks on Monday for the North Korea-sponsored unification rally in Pyongyang and the truce village of Panmunjom Aug. 13-17, according to the Naewoe Press, South Korea's semi-official North Korea watcher.

The North's organizing committee for the so-called pan-national congress also warned that the South Korean Government should not interrupt the Panmunjom rally, Naewoe said, quoting North Korean official broadcasts monitored here.

The calls followed leading South Korean dissident groups' formal establishment of the headquarters for the promotion of the pan-national rally in an inauguration ceremony Friday. The headquarters, which are virtually controlled by Chonminnyon (the National Alliance of Democratic Movements), the South Korean co-organizer of the unprecedented rally, appointed six representatives, mainly dissidents, for the Aug. 6 preliminary meeting in Pyongyang. But the government has said it will not allow the representatives to visit the North so long as they do not muster people from all social strata.

N-S Meeting Restricted Attendance Causes Impasse

SK0408080190 Seoul YONHAP in English 0737 GMT 4 Aug 90

[Text] Seoul, Aug. 4 (YONHAP)—A group of South Korean dissidents will be refused permission to visit North Korea on Monday to discuss preparations for a joint rally, the National Unification Board said Saturday. The Board had already said it would not allow restricted participation in the planning session in Pyongyang, the spokesman said.

Twelve people had applied to go to Pyongyang for the third session to discuss the Aug. 15 rally.

The government has demanded that the meeting be open to all people with a full guarantee from the North of their safe return. The North insists only original members of the planning group, mostly leaders of South Korea's largest dissident organization, Chonminnyon, will be allowed to attend.

The North notified South Korean Prime Minister Kang Yong-hun on Wednesday that it was willing to offer security only to members of Chonminnyon. A promissory statement, they said, would be delivered Monday through the truce village of Panmunjom.

Kang, in a return message early Saturday, called the North's action "downright unreasonable." Open participation is necessary to ensure a sincere rally, Kang said. He urged North Korea to agree to proposed working-level talks on the rally, adding that the South will accept applications to visit the North Aug. 4-8.

Travel Passes for DPRK Issued From 4 Aug

SK0408000390 Seoul THE KOREA HERALD in English 4 Aug 90 p 3

[Text] Starting today, local authorities will issue travel passes for south Koreans wanting to visit Communist north Korea between Aug. 13-17.

Travel passes will be issued by "gu" (ward) in cities and "gun" (county) offices in provincial governments until coming Wednesday.

Prospective visitors should present two color photos and fill in application forms available at the civic centers of the ward and county offices. Except Sundays, the civic centers will stay open from 9 a.m. to 6 p.m. every day until Aug. 8. Visitors also have to carry their residence identification cards and seals, said the Board of National Unification (NUB) yesterday.

Many people who have relatives living in north Korea and dissident figures are expected to apply for travel to the north, authorities said. As a matter of fact, ward and county offices have already received inquiries from many people, they said.

On Thursday, Unification Minister Hong Song-chol announced that any individual or group desiring to visit north Korea during the period could apply for passes with local authorities for four days from today. But he said that before the travel passes could be issued, north Korean authorities must give formal assurances for the personal safety and return of prospective visitors.

The announcement was a followup to a July 20 proclamation by President No Tae-u in which he called for a five-day border opening to allow free and unrestricted travel between the hostile Koreas. North Korea virtually rejected No's proposal by listing a set of preconditions unlikely to be met, including the release of political detainees and dismantling of border walls which the south claims do not exist.

In a related development, the Seoul City administration said it will arrange for visitors from north Korea to stay at private homes. The municipality plans to select some 1,000 well-to-do families which will provide accommodations to northern visitors, if they ever come to the south, a spokesman said.

During the 1988 Seoul Olympics, foreign visitors were encouraged to stay in 500 private homes to help them get a taste of Korean tradition and culture.

People Flock for Border Passes

SK0408073590 Seoul YONHAP in English 0707 GMT 4 Aug 90

[Text] Seoul, Aug. 4 (YONHAP)—Lines began to form before dawn Saturday as people across South Korea, many eager to end more than 40 years of separation from family and relatives, applied for a pass that could take them on a historic trip across the heavily fortified border into North Korea.

Hundreds of people were lined up outside local government offices by 5:30 a.m., waiting for them to open at 9 a.m. Many were elderly, hoping that the passes will be a magic ticket to see relatives left behind when they fled the North during the Korean war 40 years ago, hoping that the North will break with precedent and allow them to visit. Some came in groups, huddling together and helping each other fill out the application forms, others came alone, but they all shared a dream and their faces burned with anticipation.

"I don't expect my parents to be alive after all these years," said Kim Myong-kuk, 62, "But I just have to see my little sister and my nephew." Kim, who was born in Hwanghae Province in North Korea, said he had arrived at 6 a.m. at the office near his home in Inchon.

Saturday was the first day for local government offices to accept applications for the visitor's pass to North Korea. They will also take them Monday-Wednesday.

The National Unification Board announced Thursday it will allow anyone to visit the North during a five-day period in the middle of August, declared a time for inter-Korean exchange of people by President No Tae-u, if the North guarantees the safety and safe return of all visitors. All that is needed to apply are a citizen's registration card and two color photographs.

In this divided country, some 10 million people belong to families with members separated by one of the most heavily fortified borders in the world. The chance to be reunited is well worth waiting in line, especially for people who have already grown old through decades of waiting.

Most offices in Seoul set up banks of telephones to handle inquiries and opened application booths staffed by 20 to 30 employees in large halls.

Yu Chin-yong, a 29-year-old elementary school teacher from Kyonggi Province, said he wanted to "feel kinship" with North Koreans through his visit. "I think that seeing them will strengthen our determination for national reunification," he said.

Pak Sang-to, a 60-year-old Seoulite, said he hoped to show his son where his forefathers came from. "This is the only way to make sure my son will recognize his relatives if I die before the country is reunited," he said.

Kwon Chin-tok, one of the first in line at an office in western Seoul, said he still remembers when he last saw his 72-year-old father in Kyesong 40 years ago. "I have to know what happened to them," he said.

Han Kil-su, a graduate student at Seoul's Sungkyunkwan University studying farm machinery, has more of an academic interest in the visit. "I was posted close to the border when I was serving in the military and I could sense the tragedy of it all, being able to see the Northern side so closely but not being able to go," he said. Han is hoping to explore the development of agricultural machinery in North Korea, if he is allowed to go.

Yi Ok-hui came to apply for her parents-in-law. "They came South during the Korean war, but they left behind a six-year-old son. I want them to have a chance to see him," she said.

PPD Not Sending Delegation

SK0508001090 Seoul THE KOREA HERALD in English 5 Aug 90 p 2

[Text] The opposition PPD [Peace and Democracy Party] said it is not considering sending a party delegation to north Korea during Aug. 13-Aug. 17, a period designated by the government for free inter-Korea travel.

"We cannot but doubt whether recent argument between Seoul and Pyongyang is genuinely aimed at moving toward unification," party spokesman Kim Tae-sik said. He said, however, that party leader Kim Tae-chung has accepted an offer that he serve as an adviser for a recently-inaugurated organization of dissidents and students to promote the so-called Panmunjom joint unity rally.

Unification Minister on Dialogue With North

SK0408005190 Seoul THE KOREA HERALD in English 4 Aug 90 p 2

[Text] The government is increasing its pressure on north Korea to agree to mutual visits by south and north Korean citizens.

In a press conference Thursday, National Unification Minister Hong Song-chol announced bolder steps designed to push free inter-Korea travel.

He disclosed a plan to allow unrestricted visits to the north by all south Koreans or organizations during a five-day span starting Aug. 13, a time declared by President No Tae-u as a "period for grand inter-Korean exchanges."

The plan would be realized, however, only if Pyongyang agrees to it and guarantees the safety of south Korean visitors, as Hong pointed out.

Hong signaled Seoul's increasing confidence by announcing that the government would not oppose Pyongyang's invitation of south Koreans on a selective basis.

In accordance with the announcement, the government has begun accepting applications from prospective visitors to the north.

Considering the north's recalcitrant attitude, it remains questionable whether such visits to the north would be realized.

Pyongyang has already rejected President No's July 20 proposal for free inter-Korea travel. Instead, it is insisting only on contacts with dissidents in the south.

North Korea, reluctant to open up its society, will find it difficult to welcome the south's offer for free travel, north Korea watchers say.

They agree that it would take considerable time for the waves of reform and openness sweeping East European countries to reach the north.

Prospects for brisk inter-Korea exchanges are not so bright for now, but Seoul's increasingly bold proposals could have a significant impact on inter-Korea relations in the long term.

The south's progressive attitude will help advance the date for realizing free exchanges between the two sides, the watchers say.

Seoul's determination to push free inter-Korea travel has been manifested by the decision to allow dissidents' visit to the north.

Officials are well aware that dissidents' activities in the north might be politically exploited by Pyongyang. Despite the risky aspect, the government has made the decision out of hope for the opening of north Korean society and the restoration of national homogenuity, they said.

Despite the major policy shift, the government remains firmly opposed to Pyongyang's insistence that only Chonminnyon [National Democratic Alliance of Korea], the south's nationwide dissident group, be allowed to participate in the so-called unity rally scheduled for Panmunjom Aug. 13-17.

The government maintains that not only Chonminnyon but also all other groups should be able to attend the rally.

The government's position is related to its efforts to keep the rally from offering an "areana for political propaganda" against the south.

Now attention is being drawan to how Pyongyang would respond to Seoul's recent moves toward exchanges with the north.

Cultural Festival Planned for 15 Aug in Seoul

SK2707084690 Seoul YONHAP in English 0741 GMT 27 Jul 90

[Text] Seoul, July 27 (YONHAP)—The South Korean Government will sponsor a mammoth "cultural festival for reconciliation" on Aug. 15, the 45th anniversary of Korea's liberation from Japanese rule, it was announced Friday.

The Culture Ministry said 15,000 people—South and North Koreans, overseas Koreans and foreigners from inside and outside the country—will be invited to the liberation day festival at the gymnastics hall in Olympic Park, southern Seoul. Officials said they would seek North Korean attendance at the festival, a 90 minute extravaganza that will be televised nationwide.

If the much-ballyhooed unification rally is held in the truce village of Panmunjom on the same day, North Koreans attending the rally will be invited to the festival, co-sponsored by the Ministry and the state-run Korea Broadcasting System (KBS).

The 1,000 performers will include a 400-member chorus of people from 100 countries, 185 dancers, a 100-member symphony orchestra, 45 players of classical Korean musical instruments, and vocalists including Soviet soprano Nelli Li.

"Liberation" and "Korea in the world today," the main theme of the festival, will be illustrated in chorus, ballet and "Korea Fantasy," a symphony written by the late Korean composer An Ik-tae, and other programs.

The festival will close with all the performers and audience singing "Our Best Wish," a popular Korean song expressing the yearning for national reunification, the officials said.

WOLGAN CHOSON Assesses DPRK Leadership

SK2507002790 Seoul WOLGAN CHOSON in Korean Jul 90 pp 214-227

[Article by O Tae-chin: "Report Card on North Korea's 16 Top Power Figures"]

[Text]

Kim Chong-il, first vice chairman of the National Defense Commission

The First Session of the Ninth Supreme People's Assembly [SPA] opened on 24 May 1990, just 10 days before the situation on the Korean peninsula entered a new dimension as a result of the Korean-Soviet summit talks in San Francisco. The SPA is the highest legislative organization that the North Korean Constitution has established. Much attention had been focused on the First Session of the Ninth SPA because Pyongyang was expected to proclaim its basic policy line for the next four years while choosing key posts throughout the national government organizations. As the winds of reform swept through the communist world elsewhere, observers expected that North Korea would reveal which road it would choose as it stood at a crossroads which would determine its system's future.

Interest was further heightened by the fact that the elections held in April 1990 for the Ninth SPA were scheduled six months prior to the expiration of the current legal term of office. Speculation and overseas reports also began to circulate towards the end of 1989 that Kim Il-song would use the occasion of the First Session of the Ninth SPA to step down as the national leader in favor of Kim Chong-il. There were also strong prospects that North Korea would adopt reformist measures to open its society. This included possibly introducing a multiparty system, if only formally, as well as positive economic openings.

In actuality, however, at the First Session of the Ninth SPA, North Korea decided to do nothing more than "hold fast to the present course." Kim Il-song retained his post as president for another four-year term, and structural reorganization of the leadership was limited. The upper strata of North Korea's leadership escaped dramatic change. Yi Chong-ok and Pak Song-chol were retained as vice presidents, and Yon Hyong-muk stayed on as premier of the State Administrative Council.

Even within the State Administrative Council, North Korea's equivalent of a cabinet, among the eight vice premiers, only Chong Chun-ki was dismissed, while Choe Yong-nim, Kim Tal-hyon, and Chang Chol were newly appointed as vice premiers. At the department level [pujang], only two new people were appointed as directors, which are the equivalent of our ministers [changwan]. They were Kim Se-yong, minister of natural resources development, and O Song-yok, minister of the newly formed Maritime Ministry.

Two distinctive characteristics did emerge from the recent power reorganization, however. First, Kim Chong-il solidified his foundation for ascending to the seat of power by being named to the new position of first vice chairman of the National Defense Commission, which is chaired by his father, Kim Il-song. The powers of the National Defense Commission were expanded. The Commission is subordinate to the Central People's Commission, which in turn is directly subordinate to the president. The National Defense Commission had been one of the six commissions under the Central People's Commission. In the recent reorganization, however, the National Defense Commission was made an independent commission, rising to the same status as the Central People's Commission. O Chin-u, minister of the People's Armed Forces, and Choe Kwang, chief of the General Staff of the Korean People's Army (KPA), were appointed as vice chairmen of the National Defense Commission. Nine retired and active-duty general officers were also appointed to the Commission, including Kim Chol-man, Yi Ul-sol, Su To-il, Kim Kwang-chin, and Kim Pang-kon. The Commission, which had had only one vice chairman, was greatly expanded.

Kim Chong-il Takes Control of Administration Too

The appointment of Kim Chong-il to the post of first vice chairman of the National Defense Commission is very significant, because it is the younger Kim's first position within a governmental organization. Kim Chong-il has solidified his position in party matters since the early 1970's but has held no government posts. This is a major reason why many believed that Kim Chong-il would be appointed president or at least first vice president during this SPA session.

Kim Chong-il's new assignment positions him to direct the first generation of revolutionaries, men like O Chin-u, Choe Kwang, and Kim Chol-man. The new appointment also underscores the strength of Kim Chong-il's influence in the armed forces. In view of the North Korean military's dissatisfaction and distrust for Kim Chong-il, many saw the military service as the strongest group which could pose an obstacle to the younger Kim's ascension to power. By establishing a power base which extends through the party, government, and military branch, however, Kim Chong-il has strengthened significantly his position as potential ruler.

Another characteristic of the recent reorganization in the North is the resurfacing of the first generation of revolutionaries who were anti-Japanese partisans. At the 18th Session of the Korean Worker's Party [WPK] Sixth Congress, which opened one day prior to the SPA, Choe Kwang, Kim Chol-man, and Choe Yong-nim made marked gains up the power ladder. The following day at the SPA, first generation revolutionaries Choe Kwang and Kim Chol-man were appointed as vice chairmen of the National Defense Commission, while Choe Yong-nim was appointed to the concurrent positions of vice premier of the State Administrative Council and chairman of the State Planning Committee.

The anti-Japanese partisan generation consists of individuals who served alongside Kim Il-song with guerrilla units of the Chinese Communist Party [CPC] in Manchuria during the latter half of the 1930's. Despite Kim Il-song's merciless purges of almost all factions, these anti-Japanese partisans have survived at the center of power in North Korea for decades because the partisan generation is the group which Kim Il-song can trust the most.

Many of the partisan faction, however, were forced from power by the time Pyongyang reached the current final stage of the purge to prepare for Kim Chong-il's ascension to power. The few remaining members of the faction have either been dying of old age or have been politically inactive. One would expect that the second generation revolutionaries would move into North Korea's upper strata of leadership. In its sixties, this generation is largely composed of technocrats who were active in the restoration and reconstruction that followed the Korean war.

The Reemergence of the First Generation Revolutionary Partisans

The reemergence of the conservative, hard-line partisan faction, however, runs directly against such a trend. The reemergence is interpreted to mean that North Korea intends to maintain its current system in the revolutionary tradition by reinforcing controls in politics, government, society, and the military branch. To understand better North Korea's future directions, we will look at the personalities who have risen and fallen as a result of the recent power restructuring, concentrating on the conservative hard-liners of the partisan faction.

Choe Kwang, chief of the KPA General Staff, (general, 73 years old) is the most notable figure to rise in the recent power shuffle. Formerly an alternate member of the WPK Political Bureau, Choe became a full member during the present round of personnel changes, jumping ahead five places in the Political Bureau ranking, to eighth from third. In title and in fact, Choe is now the second ranking man within the North Korean armed forces, second only to O Chin-u, minister of the People's Armed Forces, who is third in the overall power hierarchy.

Choe Kwang hails from Huchang, North Pyongan Province. In the mid 1930's, Choe was active in Manchuria as a soldier of the Northeast Anti-Japanese United Army (NEAJUA), a guerrilla unit under CPC control. Choe became closely linked to Kim Il-song when Choe and some 150 other remnants of the NEAJUA were forced to flee into the Maritime Provinces of the Soviet Union by strong Japanese military forces. About 100 unit members were Chinese soldiers, while Korean fighters and their wives numbered about 60. One of those Koreans was Kim Il-song, then serving as commander of the Third Division, Second Army, First Route Army, NEAJUA.

Choe Kwang's Unique Relationship With Kim Il-song and His Wife

The fleeing troops were detained by the Soviet border guards as they crossed the border into the Soviet Union. Kim was held at Oganskaya and then handed over to the Reconnaissance Bureau directly subordinate to the Soviet Far East District Command. In a move to exploit the guerrillas' detailed knowledge of Manchurian geography, the Reconnaissance Bureau provided training for them at various reconnaissance units in preparation for the pending war with Japan.

The Soviet Far East District Command set up a garrison to house the guerrillas in the village of Bayachuk in a thickly wooded area some 25 miles from Khabarovsk. The guerrillas were given Soviet military ranks and designated as the 88th Special Brigade. The 88th Brigade was divided into four battalions, which all together totaled some 200 troops, including NEAJUA remnants and Soviet personnel.

Choe Kwang, Pak Song-chol, current vice president, and Ho Pong-hak, who was purged after reaching the rank of KPA general, all were 88th Brigade platoon leaders during this period. The highest ranking Korean partisans were Kim Il-song, a battalion commander; Kang Kon, a battalion commander; Kim Chaek, a deputy battalion commander for political affairs; Choe Yong-kon, a brigade political guidance officer; and An Kil, a deputy battalion commander for political affairs; all of whom were captains. Kim Il, Choe Hyon, and Kim Kwang-hyop served as company commanders, all with the rank of senior lieutenant, while So Chol, Choe Kwang, and Ho Pong-hak were lieutenants serving as platoon leaders. After five years in seclusion, the troops returned to Korea upon liberation and formed the so-called "Anti-Japanese Partisan Faction." By helping Kim Il-song, they were able to defeat competing factions in North Korea and occupy important positions within the government.

According to North Korea's history of the Korean war, however, this Kim Il-song-centered group did not fall under the command of the CPC. The North has fabricated and embellished the story by saying that these individuals formed an independent Korean guerrilla unit which based itself in Mt. Paektu and carried out an armed struggle against the Japanese, allegedly until they eventually won independence in 1945.

Choe Kwang married Kim Ok-sun, a compatriot of the guerrilla unit during their days in the secret camp at Bayachuk. The two maintained a special relationship with Kim Il-song and his wife, Kim Chong-suk, another union of male and female guerrillas within the unit. Kim Ok-sun became close to the young Kim Chong-il following the death of Kim Chong-suk in childbirth in 1949. Choe began his career as a regular army soldier as commander of the KPA's First Division as the new North Korean government got underway. Choe participated in the Korean war as commander of the 13th Division. After the war he was promoted to lieutenant general and served as chief of staff, First Army Group. He later commanded the Air Force. Choe became vice minister of national defense when he was promoted to colonel general in 1962, rising to the position of chief of the general staff, in 1963. Choe was regarded as an outstanding commander due to his strong will, iron nerves, and a gift for strategy.

Choe Kwang was ousted from his position in 1969 as the winds of purge began to sweep through even the partisan faction. Choe was accused of tacitly approving then Minister of Defense Kim Chang-pong's plot against Kim Il-song. Choe was dismissed along with fellow partisan, Ho Pong-hak, who at the time was serving as chief of the General Political Bureau of the Military as well as secretary in charge of South Korean affairs. Although Choe escaped execution, he awoke the day after he was purged to find himself working as a simple laborer in a coal mine.

Choe was absent from official rolls for seven years but resurfaced in 1976 as an alternate member of the Political Bureau. In 1981 he served as vice premier of the State Administrative Council. The extremely rare rehabilitation of Choe was the result of his wife Kim Ok-sun's special relationship with Kim Chong-il.

Following his restoration, Choe Kwang was more involved in party and government affairs than in military affairs. He was promoted to general in February 1988 and appointed chief of the general staff. The sudden dismissal of his predecessor, O Kuk-yol, who had been regarded as Kim Chong-il's right hand man, caught the attention of North Korean watchers at the time. Experts believe that North Korea turned to Choe Kwang, a veteran general with vast practical experience, rather than appoint a younger, less experienced individual. The North may have perceived that North-South relations were tense, and the KPA may have had its own internal difficulties at the time as well.

Until the recent SPA, Choe's political significance as a mere alternate member of the Political Bureau since 1976 had been relatively insignificant. Choe emerged as a key supporter of Kim Chong-il with his appointment as vice chairman of the National Defense Commission and his achievement of full Political Bureau membership during the Ninth SPA.

As in Choe Kwang's case, Kim Chol-man, vice chairman of the National Defense Commission, reemerged after having been dormant for a protracted period. Kim is a member of the partisan generation, having been a member of the same guerrilla unit with Choe Kwang and Kim Il-song. Born in Manchuria in 1910, Kim Chol-man has been a consistent military strategist with extensive military experience following his days in the anti-Japanese guerrilla movement. He participated in the

Korean war as a regimental commander, and in 1958 was promoted to major general and given command of the 37th Division. He also served as chief of the Operations Bureau of the National Defense Commission. In 1965, Kim was promoted to lieutenant general and given command of the Second Corps. In 1968 he was promoted to colonel general and assigned to be deputy chief of the KPA General Staff.

Military Strategist Kim Chol-man

Kim Chol-man became an alternate member of the Political Bureau in 1980 and appeared to be destined to rise to the top rungs of power, but in September 1981 he was suddenly stripped of all his posts. Kim reappeared in 1986 as a deputy of the Eighth SPA. During the recent personnel shifts, Kim Chol-man leaped to 17th place in the overall North Korean hierarchy, only nine years after having disappeared completely from that hierarchy. In the recent round, Kim was chosen as an alternate member of the Political Bureau and as a party secretary.

Kim Chol-man had played a substantial role in strengthening the four military lines at the Fifth Plenum of the Fourth Party Congress in December 1962. Kim also contributed to the restructuring of strategy and tactics within the military under the so-called "organic fusion of the modern and revolutionary wars." In the process, Kim Chol-man solidified his position as a strategist within the military. Kim was a member of the faction who advocated hard-line policies towards South Korea in the late 1960s. The rise of Kim Chol-man and Choe Kwang in the recent personnel shifts portends an unfortunate set of North Korean policies vis a vi[illegible]oul.

Choe Yong-nim, 64, is another member of the revolutionary generation. In October 1985, Choe dropped out of sight in the world of North Korean politics after being dismissed suddenly as vice premier of the SPA and from his seat on the Political Bureau. Choe was born in Wonsan, and because he was younger than others in the revolutionary generation, he was one of the rare individuals from that generation to have served at working levels in the bureaucracy. Choe graduated from both Kim Il-song University and Moscow University in the Soviet Union. In 1967, he gained valuable experience as deputy director of the party Central Committee, was appointed to the Political Bureau in August 1981, and became first vice premier of the SPA in April 1984. After disappearing inexplicably from the political scene, Choe resurfaced during the recent round of personnel shifts, becoming a vice premier of the SPA and the chairman of the State Planning Committee. Choe is currently ranked 18th in the North Korean power hierarchy.

Choe Yong-nim is included as a member of the hardline, first generation revolutionary faction, despite his relative lack of experience in the military branch. Choe's revolutionary ideology is considered strong in comparison with that of post-war professional bureaucrats. His reentry in the first line of government administration is seen as an attempt to block any hasty reformist trends which may start in the government by including his hard-line voice near the top in deliberations on key administrative issues. Well-versed in political theory and fluent in Russian, Japanese, and English, Choe served as chief secretary to Kim Il-song in the early 1970s.

In addition to these three first generation revolutionaries, Han Song-yong and Choe Tae-pok also jumped up the power ladder during the recent personnel shifts. Han is a professional bureaucrat in the machine engineering sector. Han has risen meteorically to the party elite after being elected as a deputy member of the WPK Central Committee at the Sixth Party Congress in 1980. In the current round of shifts, Han was appointed as an alternate member of the Political Bureau as well as secretary for economic affairs within the WPK Secretariat.

Han Song-yong served as both deputy minister, equivalent to our vice minister, and later minister of the Second Machine Industries Ministry during the fourth cabinet which emerged in 1970. In the fifth cabinet, he was head of the Ministry of Ship Machine Building Industry. These positions molded Han into an administrative bureaucrat with practical experience. In April 1990, Han rose to number 14 in the North Korean pecking order, becoming an alternate member of the Political Bureau during the SPA elections. In the recent restructuring, he leaped to 10th in the power hierarchy while becoming a full member of the Political Bureau.

Choe Tae-pok, 61, is an educational expert who began the 1980's by becoming chairman of the Education Committee of the State Administrative Council. He later became Education Secretary of the WPK Secretariat in December 1986. Choe is a professional bureaucrat born in North Hamgyong Province. After graduating from North Korea's elite Mangyongdae Revolutionary Academy, Choe majored in chemistry at East Germany's Leipzig College. Choe jumped to 16th in the North Korean power hierarchy during the recent personnel shifts, and entered the Political Bureau for the first time, as an alternate member.

Han Song-yong and Choe Tae-pok, together with the highly-praised Kim Tal-hyon, chairman of the External Economy Commission and concurrent vice premier of the State Administrative Council, represent a trend within North Korea towards an increasing number of professional bureaucrats within the leadership. These three; Premier Yon Hyong-muk, ranked sixth; Vice Premier and Minister of Foreign Affairs Kim Yong-nam, seventh; SPA Foreign Affairs Committee Chairman Ho Tam, 11th; Party Secretary Chon Pyong-ho, 12th; and North Hamgyong Provincial Party Chapter Chairman Kang Song-san, 13th, constitute the circle of North Korea bureaucrats in their sixties who have already strengthened their positions and who will lead the Kim Chong-il generation.

Ho Tam—Absorbed in Diplomacy

The sudden dismissal of 65-year-old Ho Tam from his position as secretary responsible for South Korean affairs at the WPK Central Committee meeting the day prior to the SPA drew much attention. Ho Tam also retreated to 11th from ninth in the pecking order among Political Bureau standing members, but this is not regarded as a precipitous fall. Ho continues as chairman of the Committee for the Peaceful Reunification of the Fatherland and as chairman of the Foreign Affairs Committee, a position newly formed by the SPA in November 1989. Analysts believe, therefore, that Ho Tam was dismissed from his secretary position in order to devote his complete efforts to diplomacy.

Ho Tam's wife is Kim Chong-suk, 59, daughter of Kim Il-song's aunt on his father's side. Kim is editor in chief of the MINJU CHOSON and vice chairman of the General Federation of Trade Unions of the DPRK. In the absolute nepotic political environment of North Korea, Ho's rise in the political world was guaranteed by the simple fact that Ho is related to Kim Il-song.

Born in Wonsan, Ho Tam attended Kim Il-song University after liberation in 1945. He studied at the USSR's Moscow University in 1949 and married Kim Chong-suk while a student there. Although Ho's character and exact academic background remain unknown, Ho has a restrained personality and is skilled in foreign languages.

Ho Tam first went to work in the Foreign Ministry in 1948, where he remained for some 35 years, until 1983, despite a number of intense purges within the North Korean power elite. Considering that diplomat Ho survived those long years of turmoil with no scars, he appears to be a believer in unswervingly keeping to the middle of the road. Ho served as foreign minister for about 13 years, during which time his accomplishments included expanding the number of countries with which Pyongyang had diplomatic relations and strengthening the North's position vis a vis nonaligned countries.

Ho began to come into his own in party politics in 1980, when he was elected a member of the party Central Committee and an alternate member of the Political Bureau as well. In 1983, Ho became a full member of the Political Bureau and secretary in charge of South Korean affairs in the Secretariat. Since then, he has maintained a steady position among the top 10 in North Korea's pecking order. In addition to his party positions, Ho Tam has served as chairman of the Committee for the Peaceful Reunification of the Fatherland since 1984. In this position, Ho is in charge of propaganda and agitation against South Korea as well as the North's peaceful unification offensive. Ho was responsible for hosting South Korean Assemblyman So Kyong-won, Reverend Mun Ik-hwan, and Miss Yim Su-kyong during their secret trips to North Korea. In 1989, Ho also met in Moscow with Kim Yong-sam, who at the time was president of the opposition Reunification Democratic Party [RDP]. Ho Tam is therefore well known even by South Koreans for his activities directed towards the South.

Party Secretary Yun Ki-pok draws as much attention as does Ho. Yun dropped out of Kyonggi Middle School in his fourth year. After studying economics at the USSR's Moscow University, he became a professor at the People's Economic College. An economics expert, Yun also served as the minister of education, minister of finance, and chairman of the State Planning Commission. Yun entered the field of South Korean relations as an advisor to the North-South Red Cross talks. Since then, he has been vice chairman of the Committee for the Peaceful Reunification of the Fatherland and chairman of the Struggle Committee for the Release of Yim Su-kyong. Yun also serves as chairman of the Economic Policy Commission of the Central People's Commission and as chairman of the SPA Budget Deliberation Committee.

Kyonggi Middle School Dropout Yun Ki-pok

When Yun Ki-pok visited Seoul in 1972 as a representative to the North-South Red Cross talks, his ability to talk unreservedly with other Kyonggi Middle School alumni caused him to be viewed as a moderate and rational leader well versed in South Korean affairs. His appointment as chairman of the newly established Reunification Policy Committee during the First Session of the Ninth SPA has drawn considerable speculation that Yun will play a key role in the future.

With Ho Tam and Yun Ki-pok taking charge of the two committees of the SPA responsible for relations with South Korea, it appears that the North will pursue "people's diplomacy" at the private level as advocated by the SPA. Pyongyang is likely to work to improve diplomatic relations with both the United States and Japan, while at the same time actively pursuing a camouflaged peace offensive aimed at the South Korean populace, an offensive conducted at the "people's level" rather than at the official level.

In addition to those already mentioned, other key figures involved in the recent shifts include Kim Yong-sun, Kim Tal-hyon, Chang Chol, and Chong Chun-ki. Kim Yong-sun, former director of the WPK International Department, became a secretary at the WPK Secretariat, filling the position vacated by Ho Tam. Kim also jointly served as the vice chairman of the Foreign Policy Committee of the SPA of which Ho Tam is the chairman.

External Economic Affairs Committee Chairman Kim Tal-hyon and Minister of Culture and Art Chang Chol both rose in the pecking order while jointly serving as vice premiers of the SPA. After being dismissed from the position of vice premier, Chong Chun-ki was appointed to be vice chairman of the Foreign Policy Committee and chairman of the Committee for Cultural Relations with Foreign Countries. These appointments suggest that issues dealing with cooperation with foreign countries will be handled at the private organization level.

Generally speaking, no major changes occurred in the North Korean leadership ranking. Positions three to seven remain unchanged: Kim Il-song and Kim Chong-il are followed by O Chin-u, minister of the People's

Armed Forces; Yi Cong-ok and Pak Song-chol, vice presidents; Yon Hyong-muk premier; and Kim Yongnam, vice premier.

O Chin-u—Kim Il-song's Former Messenger

At 73, O Chin-u is the number one man in the North Korea military service, having held the post of minister of the People's Armed Forces for fifteen years, since 1976. O's whole life was blessed because he served as Kim Il-song's messenger during Kim's days with the CPC guerrilla unit. Born in Musan, North Hamgyong Province, O Chin-u accompanied his parents when they emigrated to Jiandao in Manchuria and spent his childhood there. He participated in the guerrilla movement in Manchuria in the mid-1930's, spending the seclusion years with Kim Il-song at Bayachuk in the Soviet Union. O later participated in the establishment of the North Korean armed forces.

As a major general, O Chin-u commanded a reserve division which crossed into South Korea during the Korean war. After the armistice, O gained military experience as commander of the Third Division, as a corps commander; as chief of staff of the Air Force, as a lieutenant general; and as First Army Group commander, as a colonel general.

At the fourth party congress in 1961, O Chin-u became a full member of the Central Committee, rising to 24th place in the hierarchy. O Chin-u has been able to earn and retain the trust of Kim Il-song, not because of his military expertise but because O has faithfully executed his role as hatchet-man in the brutal purges Kim has staged over the years. In March 1967, at the secret 14th plenum of the fifth party congress, O Chin-u took charge during the purge of factionalist party officials Yi Hyosun (vice chairman of the party Central Committee), Pak Kum-chol (vice chairman of the party Central Committee), Han Sang-tu (chief of the party Organization and Guidance Department), and Kim To-man (chief of the party Propaganda Department). O Chin-u was promoted to general one month after the purge and given the position of director of the Ministry of the People's Armed Forces' General Political Bureau.

Starting in late 1968, O Chin-u took the lead in a massive military purge which ousted his former combat buddies and other military comrades. In January 1969, at the fourth military plenum of the fourth party congress, O Chin-u purged about a dozen generals from the old partisan faction in a single stroke. Those purged included Kim Chang-pong (defense minister), Ho Pong-hak (in charge of anti-South Korea operations), and Kim Kwang-hyop (chief of staff).

At this plenum, O Chin-u criticized Kim Chang-pong for disrupting the North's monolithic system of ideology, opposing the inheritance of the revolutionary tradition, creating factions, and opposing the cadre system and modernization of the armed forces. O even accused Ho Pong-hak of failing in organizational operations in South Korea, being unfaithful to the revolution within the South Korean General Affairs Bureau, and creating factionalism and regionalism while "running alone." Both Kim Chang-pong and Ho Pong-hak had been O Chin-u's seniors during the partisan era. One month later, in February 1969, O Chin-u himself was selected to be chief of the general staff.

The recent emergence of Choe Kwang is ironic, since Choe was one of those ousted during the maelstrom of the partisan faction purge, the culmination of twenty-some years of Kim Il-song's bloody purges. Some of the many flag officers who carried out death sentences or assassinations at that time—to include Chu To-il, Yi Tu-ik, and Yi Ul-sol—are now full generals, composing the group of vice ministers of the Military Committee. The recent round of personnel shifts puts the predators and their prey face-to-face in the open again.

O Chin-u's emergence as chief of the general staff in 1969 provided an opportunity for North Korea to change its military strategy into a system based on the organic melding of conventional and guerrilla warfare. Until then, the North's military strategy had emphasized modern warfare and military alliances. With the withdrawal of Choe Hyon to the second rank of leadership in 1976, O Chin-u became concurrently the minister of the People's Armed Forces and chief of the general staff, making him the number one man in North Korea's armed forces. At the Sixth Party Congress in 1980, O Chin-u was elected to the Central Committee, Political Bureau, Standing Committee of the Political Bureau (Presidium), and to the Military Affairs Committee as a member. In April 1985, O Chin-u was promoted to vice marshal, second only to Marshal Kim Il-song, and has since then maintained his position as third in the power line behind the two Kims.

For about one year beginning in September 1986, O Chin-u's absence from formal functions revealed that he was suffering from poor health. O is of average height, dark complexioned, and has a thin, inverted-triangular face. O Chin-u is quiet, conservative, and has an abrasive personality.

Some North Korean experts in Japan believe that O Chin-u could supplant Kim Chong-il in the event of Kim Il-song's death. However, as a faithful supporter of Kim Il-song and the oldest survivor of the partisan faction, O Chin-u is unlikely to oppose the transfer of power from father to son..

Yi Chong-ok—Rumored to Be a Kim Il-song In-law

At 79, Vice President Yi Chong-ok can be called the most senior professional bureaucrat in the nonpartisan faction at the heart of North Korean power. Yi was born the son of a landlord in Chongjin, North Hamgyong Province. After graduating from Harbin Engineering School in Manchuria in the 1930s, he joined the communist movement, which was active in Korea.

Yi organized a group called the Red Friends Society in Songchin in 1944. Yi was active underground before liberation in 1945 but did nothing particularly noteworthy thereafter. Yi began to teach at the Paeyong Middle School in Songchin in 1946. Yi became manager of the Chongjin Textile Mill after the DPRK Government was established in 1948.

Yi Chong-ok was elected as a deputy to the First SPA in August 1948. In 1949, he became director of a bureau within the Ministry of Industry. He rose to become vice minister of industry in 1950, and the following year became vice minister of light industry, emerging steadily on the stage of power. Rumor has it that Yi climbed so successfully because he was an in-law of Kim Il-song.

In 1956, Yi was chosen as director of the WPK Industry Department as well as chairman of the State Planning Commission in the cabinet, consolidating his positions both in the government and within the party. Yi contributed significantly to the acquisition of economic assistance from the Soviet Union and China. As an economic expert in the field of heavy industry, Yi began to be recognized for his capabilities during the economic development planning process from 1962. Yi led the cabinet from 1978 as premier of the State Administrative Council and, in 1984, he was elected vice president. Yi is tall and heavy, with a round face and short neck. He is known to be stubborn, self-righteous, and outspoken.

Pak Song-chol—The Man Who Has Visited Seoul Twice

Fifth in the North Korean power hierarchy is Vice President Pak Song-chol, age 77. Pak is well known among South Koreans, having visited Seoul in 1972 as a special envoy in preparation for the 4 July North-South Joint Statement, and again in 1973 as the North's acting joint chairman of the North-South Coordinating Committee. Pak is the son-in-law of former Vice President Kang Yang-uk, who is related to Kim Il-song by marriage. A partisan who was active along with Kim during his days with the 88th Brigade, Pak also fled with Kim Il-song into the Soviet Union in early 1940. Pak was born in 1913 in North Hamgyong Province's Kilchu. He dropped out of normal school there and emigrated with his parents to Manchuria. Pak went to Japan where he attended night college. He became active in the Japanese Communist Party, quit school, and returned to Manchuria in 1935. He began his partisan life with classmates of the Manchuria Middle School, including Kim Il and Yim Chun-chu.

Pak Song-chol began his service with the 88th Brigade as a platoon leader. However, he was demoted from officer to enlisted man, falling from platoon leader to squad member, after he was caught submitting a spurious reconnaissance report. Stricken with guilt and anguish, Pak attempted suicide at that time, ingesting a large amount of opium.

After liberation, Pak entered North Korea with Kim Il-song and participated in the establishment of the armed forces. During the Korean war, he served as commander of the 15th Division, and after the armistice, Pak took up the life of a diplomat when he was named ambassador to Bulgaria in 1954. Pak's ability was recognized, and a scant two years later he was appointed to be director of the WPK International Bureau. He served as vice minister of foreign affairs, and in 1959 was appointed foreign minister, becoming North Korea's diplomatic doyen.

Pak Song-chol was an active member of the Communist Party from his early academic days in Japan. Pak is also credited with significant contributions in obtaining postwar reconstruction aid for North Korea from the communist bloc.

As vice premier and foreign minister, Pak played a key role in improving relations with China in 1966, at a time when Beijing and Pyongyang's relationship was in the deep freeze. Pak visited China as head of a joint party and government delegation and was promoted to second vice premier of the cabinet upon his return. At the time, Pak was third in the pecking order, following only Kim Il-song and Kim Il.

When the cabinet was reorganized into the State Administrative Council in 1972, Pak Song-chol became concurrently a member of the Central People's Committee, vice premier, and chairman of the People's Services Committee. In 1976 he rose to premier of the State Administrative Council, and since 1977 he has occupied the post of vice president, primarily handling foreign affairs.

Pak is taller than average and heavy, and has a flat, gentle face. He is docile by character and is always smiling. Pak is amicable and informal in interpersonal relations.

SPA Vice Premier Yon Hyong-muk, age 65, is the leader of the so-called second-generation revolutionaries. Yon is a quintessential North Korean economic technocrat, a rarity in the North Korean system.

Born in Pukkando, Yon was raised in Pyongyang until just before the Korean war in early 1950, when he departed to study in the Soviet Union at the Ural Engineering College. He majored in metallurgy and mechanical engineering until his return to Pyongyang in 1955, where he received his grounding in science and technology, areas in which he is now an expert bureaucrat. His return to North Korea was timely, because North Korea was in desperate need of formally- educated technical experts during the post-war reconstruction period. As soon as Yon returned to Pyongyang, he was immediately selected to be a guide in the Organization and Guidance Bureau of the WPK Central Committee. Thereafter he quickly ascended through key posts in both economic and organizational fields within the party, serving along the way as chief guide at the Organization and Guidance Bureau, deputy minister of heavy industry, and minister of heavy industry.

Yon's ties with Kim Il-song are known to have played a major role in his stellar career. During his Manchurian days, Kim Il-song contracted influenza and was on the verge of dying when he happened upon the house of Yon's family. Kim recovered due to the considerate attention provide by the Yons, and Kim later took refuge at the Yon home occasionally. Yon Hyong-muk Nurses Kim Il-song, and Becomes a Friend

A young boy at the time, Yon Hyong-muk ran errands for the recovering Kim Il-song, capturing Kim's affection. Kim Il-song is said to have been behind Yon's elite education (Mangyongdae Revolutionary Institute, Kim Il-song University), his overseas study in the Soviet Union, and his rise after his return. The affinity is also seen in the fact that Yon's wife is Kim Song-suk, a cousin of Kim Il-song.

Yon has been a trustworthy supporter of Kim Chong-il despite his closeness to Kim Il-song, acting as the younger Kim's mentor in the fields of economics, science, and technology and especially in heavy industry. Thus, Yon became chief of Kim Chong-il's Revolutionary Team Central Guidance Bureau, managing the enormous organization of the Three Revolutions Teams which were similar to royal guards. Yon entered the Political Bureau that same year.

In 1977, Yon was demoted to manager of a small iron goods plant in Kimchaek City, North Hamgyong Province, as the result of an affair with a female student of one of the Revolutionary Teams. Two years later, however, Yon was reinstated to the WPK Political Bureau and Secretariat with Kim Chong-il's help. In 1985, Yon advanced to the State Administrative Council as first deputy premier as well as chairman of the Metal and Machine Industry Committee. Yon was subsequently appointed to premier in 1988, the beginning of the Third Seven-Year Economic Plan, where he remains today.

Yon Hyong-muk has a reputation as a well-rounded, tolerant individual with keen judgment. He is rational and composed, and not often disposed to losing his temper. Yon is tall and well-built, with a bright, smiling face which matches his stature. His affable personality and informality have made Yon a popular leader who commands a considerable personal following.

Experts in the Soviet Union and China believe that Yon Hyong-muk; Kang Song-san, chief secretary of the North Hamgyong Provincial Party Committee, (age 64, 13th in the power ranking); and Kim Hwan, vice premier responsible for light industry, age 61, are potential leaders of the generation to follow Kim Chong-il.

Kim Yong-nam, Skilled in Behind-the-Scenes Diplomacy

Kim Yong-nam (age 65, seventh in the pecking order) concurrently serves as vice minister on the State Administrative Council and minister of foreign affairs. Kim and Ho Tam are the experts who form the twin pillars of North Korea's foreign policy. Kim was born in 1925 in Myongchon, North Hamgyong Province, the son of a railroad worker. Kim graduated from Kim Il-song University, and studied with Kim Yong-chu, Kim Il-song's younger brother, at the USSR's Moscow University.

Kim Yong-nam began his career in foreign affairs as a section chief in the WPK International Department. In 1961, he became deputy director of the International Department, and he rose to become vice minister of the Foreign Ministry that same year. Kim played a major role in furthering relations with the Soviet Union and Eastern Bloc countries in the early half of the 1960s, and in the later years of that decade, Kim contributed immensely to making diplomatic inroads in the Middle East and Africa.

At the fifth party congress in 1970, Kim Yong-nam emerged at the higher level of North Korean power by being elected a full member of the WPK Central Committee. He pressed on to become director of the International Department in 1972 and secretary in charge of international affairs within the WPK in 1974. Kim then went on to play a key role in expanding contacts with Japan. He plays the role of standard-bearer of North Korean diplomacy by hosting progressive Japanese leaders when they visit Pyongyang.

Kim Yong-nam has a neat and fashionable appearance and wears thick-framed glasses. He has a meticulous and genial temperament, and deports himself in a dignified fashion. Although Kim remains active on the diplomatic stage, he is known more for behind-the-scenes contacts than for open diplomacy.

We have looked at the core members of North Korea's power structure after the personnel shifts occasioned by the First Session of the Ninth SPA. All these personalities are closely linked to Kim Il-song and Kim Chong-il, a fact that provides an insight into the scope of Kim Il-song's nepotism.

The recent round of personnel shifts has made Pyongyang more hard-line and conservative. North Korea is trying to swim against the tide of world history. There is virtually no possibility of change in the present North Korean system until Kim Il-song's death or final illness fatally weakens that system. Observers generally agree, however, that Kim Chong-il will face no insuperable impediment in succeeding to his father's power.

A Kim Chong-il regime, however, is expected to last no more than three to five years. No one can expect to emulate the charismatic patina which has grown up around Kim Il-song during 45 years of purges, historical distortions, and deification. The absolute power of the Kim Il-song regime will disintegrate with his death. Only then will the winds of reform sweep through North Korea. Many South Korean scholars speculate that that time will come around 1995.

Emergency Body To Resolve Mideast Trade Problems

SK0408052890 Seoul YONHAP in English 0510 GMT 4 Aug 90

[Text] Seoul, Aug. 4 (YONHAP)—The government will set up an emergency countermeasure committee to solve trade problems caused by Iraq's invasion of Kuwait, the Trade and Industry Ministry said Saturday. The committee will operate until peace is restored because exports to Arab nations other than Iraq and Kuwait will be sharply affected by a drawn-out conflict, a Ministry spokesman said.

Minimizing the economic damage arising from the invasion by taking appropriate economic measures is the main task of the committee, the spokesman said.

In the first half, exports to Iraq were 82.481 million U.S. dollars, topping the total for all of last year, because of Iraq's post-war rehabilitation works. Main export items are textiles, rubber, steel and electrical items.

Exports to Kuwait during the same period were 98.757 million dollars, off from last year's total of 210.085 million dollars. Chief items were textile, electronic, electrical and metal products.

In Iraq, there are four Korean trading and seven construction companies, while in Kuwait there are nine trading and three construction firms.

The energy and resources ministry held an emergency meeting Friday to discuss the threat to the oil supply from the region.

It was reported that of the 19.58 million barrels of crude oil scheduled to be imported from the Gulf region in August, 3.3 million barrels will be unable to be loaded and 1.2 million barrels in doubt.

Iraq and Kuwait together supply 12.2 percent of Korea's oil, which is all imported, and Saudi Arabia, Oman, the United Arab Emirates, Iran and Qatar supply 62.9 percent.

Of the 2.5 million barrels scheduled for delivery to Kukdong Oil Co. by Kuwait in August, the firm reported Friday, its tankers have failed to take on 1.3 million barrels since the invasion and a 1.2 million-barrel shipment fixed for Aug. 20 is now in doubt.

Yukong confirmed that out of the 5.55 million barrels it had contracted for, it has already had to write off 1 million barrels scheduled to be shipped between Aug. 20-23 and another 1 million barrels between Aug. 20-28.

However, 7.72 million barrels from Oman, Iran and Saudi Arabia for Honam oil refinery, 2.01 million barrels from Oman and Qatar for Kyungin Energy Co. and 1.8 million barrels from Saudi Arabia for Ssangyong Oil Refining Co. should be shipped on schedule.

The government will dip into its oil reserve to supply Kukdong and Honam if they are unable secure imports by the end of the month, the ministry said.

Exports to Middle East Disrupted

SK0608053790 Seoul YONHAP in English 0456 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (YONHAP)—Iraq's invasion of Kuwait has put South Korea's major traders and construction firms on alert for possible trade problems.

Companies exporting to the Middle East worry that business could be disrupted and are busy for substitute markets in the region, business sources said Monday. They have halted shipments to Iraq and Kuwait indefinitely and are studying ways to collect payment for goods already shipped.

The market, which was recovering from the Iran-Iraq war, is expected to go into a slump for the time being.

Electric and electronics makers, textiles and general trading companies enjoyed a boom in the mideast market in the first half of the year but they will have to turn to markets in other regions, such as Southeast Asia, the sources said. Exports of electronics goods to Iraq and Kuwait virtually stopped at the request of buyers in those countries.

Electronics makers have shown greater interest than other Korean companies in the Middle East because of trade friction with the United States and the European Community. Lucky-Goldstar Co., Korea's leading electronics maker, planned to export goods worth 250 million U.S. dollars this year, up 60 percent from last year, and increase the share of exports to the Middle East from 8 percent to 10 percent, but these goals are probably unreachable now.

Exports of textile goods to the Middle East grew 3.3 percent in the first half while total textile exports fell 3.8 percent. The textile industry had expected exports to continue to grow, but Iraq's invasion of Kuwait has upset their calculations.

Five general trading companies with branch office in Kuwait are hastening to minimize the impact, the sources said. They have a backlog of orders from the Gulf states worth several million dollars but have halted shipments.

An official at Samsung Co. Said his company had big hopes for the Middle East market in the second half and orders for steel, textile and electronics products had increased recently.

Construction firms, the sources said, fear that the situation will further depress the market, which was already in the doldrums after the collapse of the "mideast boom" in the 1970s and early 1980s.

Aggregate contract value fell from 10 billion dollars per year in the early 1980s to 1 billion dollars last year. The total this year was 5.4 billion dollars at the end of June.

Steel products were doing well this year.

The steel industry had big expectations for the Middle East as a substitute for the Japanese and Southeast Asian markets, which are in a slump, but the invasion has cast doubt on that scenario.

Iraq, Kuwait Owe Korea $134 Million

SK0608093090 Seoul YONHAP in English 0909 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (YONHAP)—Iraq and Kuwait together owe South Korea 134 million U.S. Dollars and Korea owes them 2.1 million dollars, the Bank of Korea [BOK] said Monday. As of the end of March, Iraq owed Korea 123.4 million dollars and Korea owed Iraq 2 million dollars, BOK said. Kuwait owed Korea 10.6 million dollars, and Korea owed Kuwait 100,000 dollars.

Korean credits are mostly deferred payments for exports, and the debits are from local currencies and securities it bought.

Foreign Ministry Asks Iraq To Free ROK Worker

SK0408034390 Seoul YONHAP in English 0257 GMT 4 Aug 90

[Text] Seoul, Aug. 4 (YONHAP)—The Foreign Ministry called in Iraqi Charge d'Affaires Burhan Ghazal on Saturday and asked to free a Korean worker under detention and help locate two others missing in Kuwait.

Yi Tu-pok, director-general of the ministry's Middle Eastern and African Affairs Bureau, requested the release of Kim Yong-ho, taken into custody by the Iraqi invasion force in Kuwait, at the earliest date. He also voiced the hope that the situation in the Middle East would be resolved through peaceful means.

Iraqi Official To Locate Korean

SK0408055390 Seoul YONHAP in English 0518 GMT 4 Aug 90

[Text] Seoul, Aug. 4 (YONHAP)—The South Korean ambassador in Kuwait met with Iraqi military officials on Friday and asked for information on the whereabouts of three Korean construction workers, the Foreign Ministry said Saturday.

An Iraqi commander told Amb. So Pyong-yong he would immediately find out where Kim Yong-ho was being held, but said it was difficult to locate the two others since they were not prisoners, a ministry spokesman said. The Iraqi said the only foreigner confirmed killed so far was a Filipino and he suspected the Koreans were safe.

Three Korean construction workers, all employees of the Hyundai Construction and Engineering Co., are missing in Iraqi-occupied Kuwait.

Foreigners are under detention at several locations in downtown areas and are being protected, the Iraqi officer was reported as telling So. The officer promised to free them as soon as the situation stabilizes.

An official said 76 Koreans living near the Iraqi Army units were evacuated to the Korean Embassy Saturday, and will be sent home as soon as peace is restored.

Iraq Unable To Locate Koreans

SK0608083790 Seoul YONHAP in English 0803 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (YONHAP)—The Iraqi Army told the South Korean ambassador to Kuwait on Monday it was unable to locate three missing construction workers, the Foreign Ministry said.

Amb. So Pyong-yong in Kuwait visited the headquarters of the Iraqi forces to enquire about the three, one of whom was believed to have been taken prisoner, and was told that their whereabouts were unknown, the ministry said.

So first visited the headquarters on Friday, when an Iraqi commander promised to immediately find out where Kim Yong-ho was being held but said it was difficult to locate the two others since they were not prisoners.

Spokesman Chung Euy-yong of the Ministry said the Embassy in Kuwait, quoting BBC radio news, reported that Iraq was moving foreigners to Iraq. Chung said the Ministry had told So to confirm the report and to negotiate with the Iraqi Government if it is confirmed.

Chung said 76 Koreans living near Iraqi Army units were moved into the embassy Saturday and will be sent home as soon as possible.

Turning to Liberia, the spokesman said the 38 Koreans there are safe at present. Of the 38, some 34 moved into the Korean Embassy in the Liberian capital of Monrovia.

Delegates To Leave for Korean-USSR Talks

SK0408074790 Seoul YONHAP in English 0724 GMT 4 Aug 90

[Text] Seoul, Aug. 4 (YONHAP)—Rep. Pak Chol-on, a former first state minister for political affairs, leaves for Moscow Saturday evening for a visit there until Aug. 14.

Pak is expected to meet such influential Soviets as Yevgeniy Primakov, a member of the Presidential Council, and to informally help the delegation led by Kim Chong-in, senior presidential secretary for economic affairs, with the on-going Korea-Soviet talks.

Pak is accompanied by Rep. Na Chang-chu and Rep. Kim Chong-kil of the ruling Democratic Liberal Party.

Soviet Delegation To Visit in Sep

SK0308121490 Seoul YONHAP in English 1146 GMT 3 Aug 90

[Text] Moscow, August 3 (OANA-YONHAP)—The Soviet Union will send a government delegation to South Korea in September for the second round of official talks to finalize contents and scale of economic cooperation between Seoul and Moscow, it was agreed Friday.

The two countries also agreed that South Korea will dispatch to Moscow a fact-finding mission comprising government officials and businessmen to concretize ways for economic cooperation, a Korean official said.

The agreements were reached at the second plenary session of the first official talks Friday in Moscow between high-powered delegates from the two countries to discuss normalization of diplomatic ties and promotion of economic cooperation, the official said.

The two sides had deep discussions in the second and last plenary session on bilateral cooperation in such industries as fisheries, forestry, aviation, communications, steel, metal, electronics, petrochemistry and in science and technology and development projects in Siberia and the island of Sakhalin, according to the official.

The 20-member South Korean delegation, headed by Kim Chong-in, senior presidential secretary for economic affairs, presented six draft accords, including those on trade, investment protection, prevention of double taxation, aviation and fisheries, the official said. The 13-member Soviet delegation was led by Yuriy Maslyukov, first deputy prime minister and chief of the State Planning Agency (Gosplan).

The two nations also agreed to have further discussions on signing the six accords when a Soviet delegation visits Seoul after a session of the Soviet People's Congress ended in September, the official said.

He said the two sides are expected to conclude the agreements, which the Korean side contended are needed to practically enhance economic cooperation between the two nations, in the second round of the talks in Seoul.

The two countries also had a series of separate meetings to discuss cooperation in particular fields such as joint development of Soviet natural resources, according to the official.

In a meeting participated in by the Soviet oil and gas minister, the Soviets proposed a joint development of natural gas in an East Siberian area, and the Korean officials agreed to dispatch an inspection team to review its feasibility, the official said.

The Soviet Union also proposed in another meeting that the two countries jointly develop natural resources, including copper and lead, in Siberia, he said.

Friday's talks will be followed by a series of meetings on Monday and Sunday between relevant officials from the two sides for finalizing the contents of economic cooperations, the official said.

The two sides opened on Thursday the first-ever official talks, which the Korean side expected to discuss diplomatic affairs for an early normalization of ties between the two nations, adversaries for more than forty years before they moved toward a new relationship at the time of the Seoul Olympics in 1988.

The Soviet Union, which has been cautious to moves for political relations, has said "the talks are economic in nature."

But the two sides were learned to have huddled in the Kremlin for 30 minutes of closed-door talks between influential officials on diplomatic affairs Thursday.

The head of the Korean delegation and other key officials are expected to have private meetings with leading Soviet figures, in which topics may focus on normalization of diplomatic ties, during their stay until Aug 12, the official said.

The first official encounter between officials from the two government followed a letter from Soviet President Mikhail Gorbachev to President No Tae-u early July. Gorbachev expressed his hope for government-level talks to discuss promotion of bilateral ties.

No and Gorbachev, in an unprecedented meeting in San Francisco on June 4, agreed in principle to normalize diplomatic ties.

Soviets List 22 Projects

SK0608083090 Seoul YONHAP in English 0810 GMT 6 Aug 90

[Text] Moscow, Aug. 6 (YONHAP)—The Soviet Union has proposed to South Korea that the two nations cooperate in 22 industrial projects concerning 40 consumer products. "The Soviet Union has handed over a list of desired areas and items for Korean cooperation to the Korean delegation in the official talks that began Aug. 2 in Moscow," a Korean official said Monday. "The list includes constructing petrochemical plants, car assembly plants and developing copper mines as well as expanding production facilities for consumer items," he said, speaking on condition of anonymity.

The 20 Korean delegates, headed by Kim Chong-in, senior presidential secretary for economic affairs, met in two plenary sessions with the 13 Soviet officials, led by Yuriy Maslyukov, first deputy prime minister and head of the state planning agency.

"The Soviet Union is expecting to substantiate economic cooperation between the two countries. Seoul and

Moscow will be able to fix cooperative projects and items through further discussions in the near future," the official said.

The Soviet side proposed that Korea participate as a partner or full direct investor and take its profits in the form of products, not U.S. dollars, the official said.

"The total scope and size of economic cooperation can be fixed if South Korean cooperation in the proposed list is fixed. A rough picture of bilateral cooperation will emerge before the 2nd economic talks are held in mid-September," the official said.

The Moscow talks, the first official negotiations between the two governments, came after Gorbachev expressed his wish to have official contact for promoting bilateral relations in a personal letter to President No Tae-u in early July.

Following are the major fields of cooperation suggested by the Soviet Union.

1. Some of the projects

- Participation in construction and modernization of the Soviet petro-chemical industry.

- Construction of synthetic rubber production lines.

- Production of electronic copying machines, automobile assembly plants and gold-refining automation facilities.

- Technical participation in converting the arms industry into a consumer industry and development of copper mines.

- Development of gas and coal fields.

2. Some of the consumer products (annual shortage in parenthesis)

- Refrigerators and freezers (30.2 million), washing machines (335,000), vacuum cleaners (1,575,000), TV sets (4,815,000), tape recorders (261,000), radios (3.15 million), video tape recorders (2.55 million), bicycles (930,000), sewing machines (2.1 million), coffee makers (1.3 million), electronic ovens (1.3 million), motorcycles (83,000) and needles (120 million).

Settlement of Ties Desired

SK0608074690 Seoul Domestic Service in Korean 0600 GMT 6 Aug 90

[Report from Moscow by correspondent Hong Song-kyu]

[Text] The Soviet Union desires a simultaneous settlement of the questions of diplomatic relations and economic cooperation with the ROK. Thus, it now seems that diplomatic relations as well are going to be established, if the question of economic cooperation is settled at the second round of the ROK-Soviet ministerial talks to be held in Seoul in mid-September.

First Deputy Prime Minister Maslyukov of the Soviet Government delegation today told ROK reporters that a mutual timetable had been worked out at the San Francisco summit with regard to ROK-Soviet relations and, thus, the discussion of economic cooperation which took place this time would help in the establishment of diplomatic relations between the two countries. He said separating establishment of diplomatic relations and economic cooperation from one another is not desirable.

Touching on North-South relations, Deputy Prime Minister Maslyukov said the Soviet role with respect to North-South relations is very positive, and it will remain so when the North-South premiers' talks are held in September.

Deputy Prime Minister Maslyukov said the Korean people's question of reunification is the concern of the Korean people. Therefore, no country, including the United States or the Soviet Union, should interfere or exert pressure.

Over the question of mutual visits by the state heads of the ROK and the Soviet Union, Deputy Prime Minister Maslyukov said that depends how much work the Soviet Union and the ROK do, and the role of the ROK Government delegation visiting Moscow this time is important. He stressed Soviet expectations for economic cooperation.

Economic, Diplomatic Ties Linked

SK0608075690 Seoul YONHAP in English 0713 GMT 6 Aug 90

[Text] Moscow, Aug. 6 (YONHAP)—A senior Soviet Government official said Monday he did not wish to see diplomatic ties with South Korea separated from bilateral economic cooperation, suggesting a solution to economic questions would lead to diplomatic relations between the two countries. "I do not wish to separate diplomatic and economic ties," Yuriy Maslyukov, deputy prime minister for economic affairs, told South Korean reporters.

South Korea-Soviet relations have made great strides this year, as attested to by the San Francisco meeting between Presidents No Tae-u and Mikhail Gorbachev, Maslyukov said. Expansion of such development will bring "positive results" to establishing formal ties, he said.

The possibility of No-Gorbachev exchange visits, he said, depends on how much Kim Chong-in, South Korean chief delegate to last week's government-level talks, can accomplish and how much the two countries can achieve together, suggesting high Soviet expectations for economic links to precede diplomacy.

A 20-member Korean delegation, headed by senior Presidential Secretary for Economic Affairs Kim, visited Moscow for talks Aug. 2-3 that produced wide-ranging accords on industrial, scientific and technological cooperation and an agreement to hold a second round of official talks in Seoul in September.

The Soviet Government had been cautious in commenting on the possibility of diplomatic relations with Seoul, which would bring an end to decades of hostility. Soviet statements characterized the meeting as "devoted to increasing mutually beneficial economic cooperation."

Maslyukov, also head of the State Planning Committee Gosplan, said, however, that he does not separate diplomatic from economic advancement.

The deputy Soviet prime minister said he was "most assured" that the talks will quicken diplomatic normalization.

Emphasizing economic links, however, Maslyukov said the Soviet Government will give preferential treatment to countries that offer trade assistance.

The Soviet role in South-North Korean relations and the next round of bilateral negotiations in Seoul in September will be a positive one, Maslyukov said.

Korean reunification is in the hands of the Korean people, and neither the United States nor any other country should try to influence the process, he said.

Poll: Japan 'Nation Most Disliked' by S. Koreans

SK0108095890 Seoul YONHAP in English 0920 GMT 1 Aug 90

[Text] Seoul, Aug. 1 (YONHAP)—Japan is the nation most disliked by South Koreans, pushing North Korea out of the top spot in the hate stakes, a recent survey found.

Among Japanese, North Korea is most disliked but there is growing animosity toward South Korea, according to a report on the third annual Korea-Japan poll issued Wednesday.

The poll was taken by the daily newspapers TONG-A ILBO of Korea and ASAHI SHIMBUN of Japan, which questioned 3,000 Japanese voters and 2,000 Korean voters randomly sampled between June 27 and July 2.

The word "Japan" brings to mind suffering under Japanese colonial rule, 33.2 percent of the Korean pollees said, while 11 percent of the Japanese said their strongest image of Korea is "kimchi" (a ferociously hot dish of pickled cabbage) and traditional costumes.

The first survey was in 1984, and the second in 1988.

This year's survey found 66 percent of Koreans dislike Japan, compared to 50.6 percent in 1988 and 38.9 percent in 1984.

Although less intense, Japan registered growing dislike of Korea with 23 percent, compared to 21 percent in 1988 and 19 percent in 1984.

North Korea for the first time was replaced as most unliked country in South Korea, its unpopularity falling to 45.5 percent from 76.5 percent in 1984. More South Koreans said they now have a favorable impression of North Koreans, 11.7 percent compared to 5 percent just two years ago, according to the report.

The Soviet Union is also getting on the good side with 8.2 percent likes compared to 3 percent in 1984 and 4.5 percent in 1988. This is in contrast to the other superpower, the United States, whose popularity has slipped to 23.9 percent this year from 37.4 percent in 1988 and 69.9 percent in 1984.

North Korea, however, was again unpopular with the Japanese, who named the communist country their most disliked nation for the second consecutive year.

South Korea and Japan revealed opinion differences in their present relations and perceptions of and access to each other.

Emperor Akihito's apology for war atrocities against Koreans was "insufficient," said 79.4 percent of Korean pollees, and 30 percent of the Japanese said the same.

Eighty percent of Koreans believe Japanese treatment of Korean residents in unfair, while only 47 percent of Japanese think so. Forty-two percent of Koreans claim Korean residents should be exempted from Japan's fingerprinting law but only 14 percent of Japanese agree. Thirty-six percent of Koreans believe the fingerprinting law should be completely scrapped while 36 percent of Japanese say it should be kept.

Japan was more optimistic about Korea's democratization process with 67 percent saying the South has made democratic progress, compared to less than half of Koreans (47.4 percent). Only 22 percent of Japanese think the democratic progress has digressed while 47.4 percent of Koreans make the claim.

Koreans think first of the colonial period when Japan is mentioned, 33.2 percent said, followed by Japan's economic achievement, 15.7 percent.

But Japanese people tend to conjure up first of Korea's kimchi and national costumes, the survey said.

The two countries share interest in each other's music culture with 60 percent to 70 percent of the respondents saying they have listened to the other country's songs. But other cultural access showed an imbalance. Close to 41 percent of Koreans have read a Japanese book or skimmed through a magazine, but only 7 percent of Japanese have read Korean works.

'Bleak' Prospects for International Tourism

SK2407020490 Seoul THE KOREA HERALD in English 24 Jul 90 p 3

[Text] Prospects for Korea's international tourist industry are bleak, with foreign tourists slow to come here. Tourist arrivals during the first half of this year edged up 6.7 percent, while the number of Korean tourists visiting foreign countries shot up 33.2 percent.

Figures supplied by the Transportation Ministry yesterday show that the country received 1,396,333 foreign visitors during the January-June period this year, compared to 1,308,651 a year earlier. Tourists from Japan, totaling 680,855 increased just 3.7 percent, whereas those from Taiwan and European countries soared 34.2 percent and 10 percent, respectively. American visitors fell 0.5 percent to 156,923, which accounted for 11.2 percent of the total visitors during the six months. As a consequence, tourist revenue dwindled 5.9 percent to $1,664 million. Tourist spending stood at $1,191 per person.

Despite the government's orchestrated campaign to curb "overspending" among Koreans, the number of Korean travelers totaled 725,547 during the first half of this year. Compared to a year ago, this marks a staggering increase of 33.2 percent. Visitors to Japan and the United States climbed 38.5 percent (374,649) and 28.8 percent (105,620).

Transportation Ministry officials said the surge in the number of travelers to the neighboring country is probably due to domestic travel agencies' "overheated" campaign to lure Koreans to Japan. Many of the Koreans going to the United States, meanwhile, chose Hawaii, Guam and Saipan, the officials said. Those islands are now favorite destinations for Korean families. Visitors to Taiwan, Europe and ASEAN countries surged 21.2 percent, 31.1 percent and 50.7 percent. Korean travelers spent a total of $1,497 million, an increase of 26.2 percent. The per capita spending climbed to $2,864.

The apparent slump in Korea's international tourist sector will deal a blow to hotels and other tourist-oriented facilities in Korea, travel industry workers said. First of all, they said, there should be fewer street demonstrations keeping tourists away.

"What seems essential to peace is to achieve social stability" one agent said.

Steep price hikes in Korea may also be responsible for the slump, he said.

* Government To Regulate Foreign Investments

902C0260 Seoul MAEIL KYONGJE SINMUN in Korean 26 Jun 90 p 3

[Article by reporter Kim Chol-su: "Due to Worsening Foreign Exchange Situation, Government Retreats From Its Deregulation Policy"]

[Text] As the nation's trade balance shows a deficit, the government's policy on foreign exchange is turning in the direction of "regulation."

Although the government outwardly emphasizes that the nation's foreign exchange situation is not in danger in spite of the sluggish exports and reduced earnings overseas, the feeling is that it is inwardly worried about the situation.

In spite of the sluggish exports, individuals as well as industries have become more used to free spending of foreign currencies. Consequently, our nation's foreign debts have increased this year.

The government's step to control large-scale investments overseas is interpreted as a sign of its concern over the nation's foreign exchange situation.

The government, naturally, did not disclose the purpose of this step.

On the contrary, the government emphasized that it would actively promote investing overseas for the internationalization of industrial management and to overcome the obstacles in international trade.

For large-scale foreign investment, however, the government intends to investigate its profitability more carefully before issuing a permit.

The government's concern in this matter is quite understandable.

Since 1986, due to the nation's trade surplus, the government has been pursuing free foreign exchange policy as well as encouraging investments abroad, with government subsidies in some instances. And it is true that industries rushed into foreign investments in recent years as if it were a privilege.

In this maelstrom, some industries improperly diverted their funds overseas and, due to the indiscriminate foreign investment fever, some industries even became insolvent after their foreign ventures.

Since so many industries were seeking investments abroad, some people expressed fears of reduction in domestic industries.

Accordingly, the government's new measure to reduce subsidies and to study more carefully the nature of foreign investments is quite reasonable and understandable.

Especially because large-scale or capital-poor foreign investments possess more potential dangers, it is important to be cautious.

The government's recent measures regarding foreign investments, however, are as much to prevent foreign currency drain as to prevent problematic foreign investments.

Prior to the steps taken recently, the government tried to let the industries themselves restrict their foreign investments voluntarily by decreeing the "policy of self-regulation and credit limitation on foreign investment" last March.

At the time, the government explained the policy's goal was to prevent excessive competition among our country's industries abroad.

Since our nation's industries are concentrated in specific fields and they would only move into specific areas of foreign markets, creating heated competition among themselves, the government wished to prevent this undesirable side-effect by this measure.

For this purpose, the government let any concerned federation or organization of industries apply to the Bank of Korea for an evaluation of whether excessive competition exists among the related Korean industries overseas.

The Bank of Korea, if necessary, could ask the finance minister for a self-regulatory measure on the industries involved.

The finance minister, in this case, should consult with the department in change, the Bank of Korea, the Export Import Bank, and the industries involved to determine whether excessive competition exists. If he believes too much competition exists, he can then issue an order to "stop financial aid" and the decree of "foreign investment by recommendation only."

The industries, moreover, had to be classified into one of three categories when they applied for foreign investment permits: those industries to be promoted were given priority in receiving subsidies; financial aid to restricted industries was stopped in principle; and permits were not issued to prohibited industries.

At the time, the government's measure was regarded as a way to minimize the impression that it was again restricting the rules which had once been relaxed. The present measure, in comparison, goes a step further and it is obvious that the government will now directly control foreign investments.

The present measure allows the government-run, Korea Industrial Bank and any long-term credit bank to own shares in the foreign investments of our domestic industries. By these means, the government is trying to exercise caution in foreign investments. Some people, however, hastily point out that this is the way the government wants to keep watch over foreign currency outflow with the help of its own corporations.

The government has thus been tightening its reign over the foreign investments of our industries in recent years. At the same time, the government has also begun to restrict the amount of individual foreign currency allowance since last April, namely to prevent excessive spending.

According to the "citizen's foreign exchange rule," which went into effect in 1988, individuals were allowed to possess freely up to $5,000. The government, however, rescinded the rule within a year and a half after issuing it. For those who travel abroad, it has now revived the system of stamping passports at the time of currency exchange; when the traveler's checks are issued, one must sign them in front of a teller at the bank; after using credit cards, statements must be carefully checked for the amount spent; and the National Tax Revenue Service's authority to gather information on individuals sending money overseas has increased.

The government is carefully studying the foreign exchange situation so that it can limit the amount of money one can send abroad in case the currency situation worsens.

In analyzing the series of actions taken by the government this year, it is clear that the government's foreign exchange policy is turning away from deregulation to regulation.

In spite of its obvious policy change due to the worsening foreign exchange situation, however, the government hesitates to openly admit the problems at hand. The difficulties faced by the government can only be surmised.

One of the difficulties is that the government is well aware of the criticism of its policy inconsistencies. The other reason is that its policy of foreign exchange deregulation was, from the onset, closely tied with its policy of open monetary/capital market.

The government's idea of free foreign exchange policy, encouraging foreign investments and relaxing rules on foreign currency allowance, was conceived in the same package as its idea of open monetary/capital policy.

When the trade balance showed a big gain in 1986, the government became overly optimistic about the nation's economic and foreign exchange future. It greatly relaxed its policy on foreign currency outflow. It was confident enough to announce the time schedule for monetary/capital market deregulation.

As the foreign exchange situation is worsening now, the government is faced with a similar difficulty in the monetary/capital market as well.

* Economic

Recovery Requires Increased Exports

902C0240A Seoul HANGUK KYONGJE SINMUN in Korean3 Jun 90 p 2

[Editorial: "Economic Recovery Impossible Without Increase of Exports"]

[Text] I

The domestic economy is showing signs of recovery. It recorded a high growth rate of 10.3 percent in the first quarter. Can this be interpreted as a signal that our economy can get back on the growth track once again?

It is too early to predict the future state and course of the economy on the basis of this and other indexes alone. The fact that the economic upturn was led not by exports but by domestic demand can rather operate as a factor constraining the stable growth of our economy.

According to the "Trends of Industrial Activities in April" released by the Economic Planning Board on 1 June, the leading indicators—which foretell the state of the economy two to three months ahead—stayed unchanged from the March level. However, the coincident indicators—which show the current state of the economy—registered a 0.8 percent increase in April over the preceding month, moving on the rising curve for the fifth straight month.

In addition, the cyclic change indexes in the coincident indicators excluding long-term trend change indexes have increased constantly since January.

However, despite the favorable change in the indicators, an examination of the substance of this change reveals that production and delivery of goods are increasing while exports continue to slow down, clouding the outlook for the economy.

Production in April dropped 1.4 percent from the previous month due to the labor disputes in major corporations, equipment repairs in some firms, and sluggish exports. But the April output was up 14 percent from April 1989, and production in the first four months of the year was up 9.4 percent from the corresponding four months in the previous year.

The most noteworthy fact is that investment in equipment by the manufacturing industry—the most important factor in economic recovery—is increasing. Thanks to the increasing investment in equipment in the manufacturing sector which began to recover in February domestic machinery orders in April were up 57.1 percent from April last year, clearly indicating that the economy is on the recovery track.

Nevertheless, exports remain the problem. The ever worsening export slump is darkening the future of our economy, whose structure is such that without an optimum increase in exports, it will be impossible to attain a sustained recovery.

According to the Ministry of Commerce and Industry, the May trade account (on a customs clearance base) registered a deficit exceeding $800 million, the highest monthly deficit since December 1981. The total exports in the first five months of the year were $24.1 billion whereas the total imports in the same period were $27.2 billion, resulting in a trade deficit of about $31 billion.

The Ministry of Commerce and Industry optimistically predicts that the recovery trend in exports will become visible beginning in the second half of the year, but it is hard to find any basis which warrants such optimism.

II

True, exports show a bit of an upward trend. But sharply increasing imports are ever widening the gap between exports and imports. Particularly, brisk domestic demand is pushing the import of domestic consumption goods constantly upward. On top of this, export letters of credit arriving from overseas in May registered a scant 0.9 percent increase in amount.

Unless exports are steadily increased under circumstances where imports are not increasing and where there is no possibility of a sustained increase in exports, it will be impossible to find a way out for our economy.

Our exports are sluggish because their competitiveness has weakened due to the structural weakness. To be more specific, the basic factors responsible for the sluggish exports are that our exports have lost their quality competitiveness because we are lagging behind our competitors in technology and they have lost their price competitiveness due to errors in the operation of exchange rates and the sharp rise in wages.

Therefore, to increase exports, it is necessary to exert efforts to develop technology and improve productivity so that we can remove the factors such as rising wages which tend to diminish the price competitiveness.

If so, are we really making such efforts? The level of technology cannot be improved overnight. We have to make sustained efforts to improve technology, but what is important in this connection is to begin by asking ourselves whether we are giving full play to the current technologies we have and to reflect upon the way we have been using these technologies.

According to a recent announcement by the Ministry of Commerce and Industry, of the 275 items earmarked for export in the first quarter of the year, an average of 5.37 percent failed to pass inspection, a marked increase from 3 percent in 1988 and from 4.2 percent in 1989. In the past, the main reason for failure to pass inspection was inadequate technology, but the ministry says that recently the "improper finishing touches" due to a lack of will to work hard on the part of the workers is more to blame for the rejection.

In other words, we are turning out goods expediently, not properly using even the technologies we have. A loud call for technological development leaving this condition uncorrected would be like putting the cart before the horse.

Our choice is clear. We have to turn out cheaper and better commodities than our competitors by working harder with more sweat on our brows and by paying more meticulous attention. There is no immediate remedy for the technologies we lack now. But we can find the causes of the sluggish exports nowhere unless we change the current atmosphere in our workshops where we are not giving full play to technologies in hand.

We must clearly recognize that any rise in the won's exchange value operates as a factor weakening our export competitiveness by causing price increases.

We can hardly augment our economic strength as long as the sluggishness of exports and the trade deficit remain unchanged. We need to increase our export competitiveness through hard work and technological development, but more immediately, we must remove the impeding factors in exports.

* Exports to ASEAN Nations Continue To Increase

Seoul MAEIL KYONGJE SINMUN in Korean
13 Jun 90 p 7

[Article by reporter Kim Chong-hyon: "The Five ASEAN Nations Emerge as Neighboring Markets"]

[Text]**Industries Are Expanding Organizations**

The five ASEAN [Association of Southeast Asian Nations] nations are rapidly emerging as a new market for domestic industries.

While trade with the United States, Japan, and EC nations, which have traditionally been the major markets, has become stagnant due to various kinds of trade friction and severe competitions, that with the five ASEAN nations—Indonesia, Malaysia, Thailand, the Philippines, and Singapore—has started to increase substantially.

Major domestic industries are receiving attention for their concentrated investment efforts in these areas, including the large scale industrial complexes.

Although the total exports during the first quarter of this year have been reduced by 1.2 percent compared to the same period last year due to the adverse export environment, the exports to the ASEAN nations amounted to $1.98 billion, which is a 5 percent increase compared to last year.

Although exports to the ASEAN nations in 1987 were limited to 4.2 percent of the total, they made a record average annual increase of 42 percent during the past three years. It is thus anticipated that by the end of this year, the exports to the ASEAN nations will be more than 9 percent of the total national exports.

Not only does the export of consumer goods such as home appliances and textile goods show a continuous increasing trend, but the export of heavy chemical industrial goods, steel, metals, heavy chemcial goods is also increasing at an annual rate of 30 percent. Thus, the five ASEAN nations are emerging from nations of possibility and potential as major export markets.

The export volume to these nations as of the end of last April is as follows: $143 million to Malaysia (30.2 percent increase compared to the same period last year), $206 million to Thailand (36.9 percent increase), $169 million to Indonesia (67.7 percent increase), $439 million to Singapore (29.2 percent increase), and $132 million to the Philippines (9.9 percent increase).

As the exports to the five ASEAN nations show a trend of rapid increase, major Korean import/export companies have been trying not to lose the new export market by expanding their corporate organizations related to these nations and reinforcing their local branch offices.

In particular, Samsung, Hyundai, Daewoo, and Lucky-Goldstar have recognized the importance of these nations as a block market and are greatly expanding their business network by adopting a system of having headquarters in the Southeast Asian countries.

A businessman from one of the import/export companies said, "These areas have not been properly evaluated so far in the shadow of the United States and EC nations." And, "since it is anticipated that import demands will increase due to economic growth in these nations and that the induced exports will greatly increase due to active joint investment, these nations will emerge as substantial export markets within the next two to three years."

These five ASEAN nations are considered unignorable, since they are significant as a base and critical area in the triangular export in case the open policy is accelerated in the neighboring socialist countries such as Vietnam, Laos, and Myanmar.

The local Korea Trade (KOTRA) officer pointed out that these nations have emerged as the ones with the highest growth rate with a record growth rate of real GDP average 7.6 percent last year and that such a growth trend is expected to continue until the mid-1990's. The officer also said, "Since the importing of industrial goods is substantially increasing as a result of industrialization in these nations, our industries should concentrate on exporting machinery, electric, and electronic products in order not to lose the market to our competitors including Japan and Taiwan.

Since last year, Korea, Japan, and Taiwan have been engaged in severe competitions in the five ASEAN nations to increase their market share.

Taiwan, for example, is trying to expand its market by utilizing a strong marketing system based on the network of local Taiwanese residents in these nations. Japan is threatening our exports by creating strong consumer preferences for Japanese products, together with an expansion of induced exports due to their aid to the development of public projects in these nations.

In order to continuously increase our exports to these nations, it is urgent to occupy the market by constructing production facilities and technology transfer of the mature Korean industries through joint ventures, according to one officer of the Export Promotion Section of KOTRA.

The Korean industries' efforts to expand their markets are reflected in a concentrated local investment or construction of industrial complexes since last year.

The number of investment projects in these nations approved by the Korean Government by the end of last year is 212, and the investment amount approved reaches $470,569,000.

Among these approved projects, the number of projects and actual investments spent in establishing local corporations or factory constructions is 143 and $262,052,000.

This amounts to approximately 40 percent of the total overseas investments by Korean companies.

The number of approved projects and dollar amounts in each of the five nations are as follows: 98 in Indonesia ($347,090,000), 37 in Thailand ($32,667,000), 39 in Malaysia ($6,642,000), 14 in Singapore ($6,812,000), and 24 in the Philippines ($17,574,000).

The investment in these nations continues this year. By the end of April, a total of 70 such investment projects were approved; 27 in Indonesia, 11 in Malaysia, 14 in Thailand, six in the Philippines, and four in Singapore.

The Majority Is Textile

So far textiles, woven goods, and garments comprise the highest volume. But export items have gradually diversified, covering a variety of items including leather goods, wooden furniture, toys, electronic products, photo albums, machinery, Western kitchenwares, and glass frames.

Major reasons for concentrated investments in these countries, although somewhat different from one nation to another, are as follows: low wages, abundant natural resources, stepping stone for exploring third countries, active recruiting efforts and benefits from these nations for those who construct factories, and inexpensive land.

It is anticipated that the trade and factory constructions by Korean companies in these countries will be even more active due to the favorable conditions.

First of all, the Hyundai Corporation started to construct industrial complexes on a full-fledged scale in Indonesia after establishing a local corporation last February.

Hyundai, in a joint venture with the Gunungchermai Company of Indonesia with a capital ratio of 55 to 45 ($4,125,000 by Hyundai), is going to build a 600,000 pyong (26.6 million square feet) industrial complex in the Chiranka area near Jakarta city. The complex, when it is completed in October, will be rented to small and medium size Korean businesses.

Excessive Competition Is a Problem

Daewoo Electronics signed an agreement last November to build a large-scale integrated electronics complex with a 500,000 pyong (21.4 million square feet) space near Jakarta in a joint venture with the Bimantara Sitra Company of Indonesia, invested a total of $203 million, and is currently looking into detailed business plans.

Daewoo plans to finish the complex by the end of the first half of the next year at the latest, and to rent out the space to about 200 Korean electronics parts companies.

Samsung Electric and Machinery Company, which bought 20,000 pyong (854,000 square feet) of land near Bangkok, Thailand last year, will soon start the construction of a complex.

Samsung Corporation, which has been promoting the construction of a large textile complex in the Philippines, was interrupted temporarily last year by the domestic political incident in the Philippines. Due to the recent Philippine Government's active encouragement of foreign investments, Samsung will send a study team during the first half of this year to finalize their plan.

Samsung Corporation started the construction of a textile complex in Indonesia in 1988, and is currently operating the factory with five other companies as a joint venture.

Moreover, the Sonkyong Company filed a business plan last month to build a 1.2 million pyong (51.2 million square feet) textile complex in Indonesia jointly with other textile and dyeing companies in the Taeku area.

Ssangyong Company is currently promoting the export of a plant to construct large-scale field storage containers. The Hyosung Corporation is finalizing a plan to export asphalt plants to Indonesia and Thailand.

Daewoo entered into a construction business in Thailand by establishing a joint corporation with the Saha Union Group in Thailand.

In addition, domestic companies are planning to become involved in the development of natural resources in the five ASEAN nations.

Currently, Samsung Corporation, Lucky-Goldstar and Ssangyong are independently participating in an oil exploration project in Indonesia. These companies also plan to participate in the mining and forestry businesses in the future.

Although heavy investments are being made in these nations by other nations as well as the Korean businesses, there are some negative aspects as well.

Currently, the biggest problems are the excessive competition among Korean companies and gradual restrictions in factory construction as a result of environment and resource protection movements by these nations.

Burma

Lao Deputy Foreign Minister, Delegation Arrive

BK0508153990 Rangoon Domestic Service in Burmese 1330 GMT 5 Aug 90

[Text] A delegation from the Lao People's Democratic Republic headed by Mr. Souban Salitthilat, deputy minister of foreign affairs, flew in to Yangon [Rangoon] this evening at the invitation of the government of the Union of Myanmar [Burma].

The Lao deputy foreign minister and his delegation will stay in the Union of Myanmar until 9 August. During their stay, they will discuss Myanmar-Lao relations with a Burmese side headed by U Ohn Kyaw, director general of the Foreign Ministry's Political Department.

Amnesty International Reports U Tin U's Health

BK0308145990 London BBC in Burmese to Burma 1445 GMT 3 Aug 90

[From the "Current World Affairs" program]

[Text] The London-based human rights organization Amnesty International has issued a brief statement on the state of health of U Tin U, imprisoned chairman of the NLD [National League for Democracy] and former general. In an urgent statement issued on 2 August Amnesty International says that the health of 64-year old U Tin U is deteriorating due to thrombosis. U Tin U, a prisoner of conscience, was sentenced to three years imprisonment with hard labor by Military Tribunal No. 5 in Burma during December 1989.

Amnesty International describes the disease as very painful as it causes poor blood circulation, inflammation of the veins, and blood clots. Amnesty International further states that U Tin U, former general and chairman of the NLD which emerged as the strongest opposition party after winning 80 percent of the votes at the 27 May 1990 parliamentary elections, has not received medical treatment in his prison in Burma although the disease is at a stage when it requires medical treatment.

Election Tribunal No. 3 To Hear Complaints

BK3107143290 Rangoon Domestic Service in Burmese 1330 GMT 31 Jul 90

[Text] The Government of the Union of Myanmar [Burma] has issued Announcement No. 20/90 dated 31 July 1990—the 10th day of the waxing moon of Wagaung, Myanmar era 1352. The text of the announcement reads:

Subject—Formation of Election Tribunal No. 3

1. In accordance with Article 65-A of the 1989 People's Assembly Elections Law, the Government of the Union of Myanmar has formed Election Tribunal No. 3 with the following members:

A. U Ba Than, retired Supreme Court judge as chairman;
B. U Sein Tun, retired divisional legal officer, law office, as member;
C. U Ohn Than, retired director of the Public Service Department, as member.

2. Election Tribunal No. 3 shall investigate the election complaints filed from the following persons:

A. Name of person who filed: Retired Colonel Maung Maung

Persons against whom the complaint is filed: U Peter Lin Bin [elected independent candidate] and six other persons.

Name of constituency: Pyin-u-Lwin [Maymyo] Township Constituency-2, Mandalay Division.

B. Name of person who filed complaint: Dr. Kyaw Naing Tun.

Persons against whom the complaint is filed: U Win Shein [elected independent candidate] and three other persons.

Name of constituency: Myaung Township Constituency-1, Sagaing Division.

By the authority vested in me
[Signed] Maung Ko, secretary, the Government of the Union of Myanmar

Election Tribunal No. 4 To Hear Complaint

BK3107145290 Rangoon Domestic Service in Burmese 1330 GMT 31 Jul 90

[Text] The Government of the Union of Myanmar [Burma] has issued Announcement No. 21/90 dated 31 July 1990—the 10th day of the waxing moon of Wagaung, Myanmar era 1352. The text of the announcement reads:

Subject—Formation of Election Tribunal No. 4

1. In accordance with Article 65-A of the 1989 People's Assembly Elections Law, the Government of the Union of Myanmar has formed Election Tribunal No. 4 with the following members:

A. U Hla Thaung, retired grade 1 law officer of the Central Law Office, as chairman;
B. U Khin Maung U, retired grade 1 law officer of the Central Law Office, as member;
C. U Chit Saung, retired director of the Supreme Court, as member

2. Election Tribunal No. 4 shall investigate the election complaint filed from the following person:

Name of person who filed: U Saw Philip, alias U Philip Hsam [candidate for Union Nationals Democracy Party].

Person against whom the complaint is filed: U Khun Tun Lu, alias U Tun Lu [elected candidate from National Unity Party].

Name of constituency: Ho-Pang Township Constituency, Shan State.

By the authority vested in me
[Signed] Maung Ko, secretary, the Government of the Union of Myanmar

Brunei, Malaysia & Singapore

Malaysia

Minister Warns Foreign Powers on Iraq-Kuwait War

BK0608081090 Kuala Lumpur BERNAMA in English 0716 GMT 6 Aug 90

[Text] Kuala Lumpur, Aug 6 (OANA-BERNAMA)—Foreign powers should stay out of the peace efforts to end the Iraqi invasion of Kuwait in order not to escalate the conflict, Malaysian Defence Minister Tengku Ahmad Rithauddeen said Monday.

The conflict, which is confined to the region (West Asia), should be settled within the Arab League without foreign inteference, he added.

It is important that the countries involved remain patient and see what could be done to seek a peaceful solution, he told a press conference when asked to comment on the Iraqi invasion of Kuwait.

Tengku Ahmad Rithauddeen said that both Iraq and Kuwait should "come to talk" to settle the conflict through negotiations which Malaysia felt was the best way rather than resorting to military action.

In this connection all concerned bodies, such as the Organisation of Islamic Conference (OIC), United Nations Security Council, and the Non-Aligned Movement should work together to help resolve the conflict, he added.

He said Malaysia supports resolution 660 of the United Nations Security Council which upholds the right of sovereignty and territorial integrity as well as non-interference by member countries.

The Security Council, which was entrusted with the task of returning peace and stability in the Vietnam-Cambodia and Afghanistan-Soviet Union conflicts, should see to it that a similar process of achieving a peaceful solution to the Iraq-Kuwait conflict is brought about, he added.

Tengku Ahmad Rithauddeen said as members of the OIC, both Iraq and Kuwait should respect each other's sovereignty and territorial integrity.

In view of this, Malaysia urged for the immediate and unconditional withdrawal of Iraqi military forces from Kuwaiti territory in order to return peace and stability to the region, he added.

Minister Urges Japan To Open Market to ASEAN

OW2807143190 Tokyo KYODO in English 0958 GMT 28 Jul 90

[Text] Singapore, July 28 KYODO—Malaysia's Trade and Industry Minister Rafidah Aziz on Saturday urged Japan to do more to liberalize its market for manufactured products from members of the Association of Southeast Asian Nations (ASEAN) and be more committed to the transfer of technology. Despite being the largest foreign investor in ASEAN, Japan's imports of manufactured goods from the region do not match the high level of Japanese investment, Rafidah told KYODO NEWS SERVICE.

Japan should also be more committed to transferring technology to ASEAN, she said. The programs for transfer of technology have not matched the sentiments expressed by Japan on the matter, Rafidah said.

"Japanese investors should assist in the development of local entrepreneurs to supply them with parts and components, from the simplest to the essential and complex," she said. "We have the capability and capacity to undertake such operations."

Rafidah also said she wants Japanese manufacturing companies to set up research and development operations in Malaysia. Japanese firms, she suggested, could also set up technical and industrial training centers in Malaysia. These firms should not only train their own staff but also other workers who could later be released into the labor market.

Expressing Malaysia's view toward the second ministerial meeting of the Asia-Pacific Economic Cooperation [APEC] Forum which will be held on Monday and Tuesday in Singapore, Rafidah said Malaysia wants the forum to complement development efforts undertaken by developing countries in the region. She said APEC has to be responsive to ASEAN needs and sensitivities, and should not be dominated by the developed countries.

APEC was born out of a proposal by Australian Prime Minister Bob Hawke in January last year and launched last November. Besides the ASEAN members—Malaysia, Singapore, Thailand, the Philippines, Indonesia, and Brunei—the other APEC members are Canada, Japan, Australia, New Zealand, South Korea, and the United States.

Asked about ASEAN's initial reservations toward the APEC, Rafidah said ASEAN has its own priorities toward regional economic integration. "It is only natural that a grouping of developing countries like ASEAN has taken a cautious approach toward APEC," she said. "I think this cautious approach will continue."

She pointed out that even before the launching of APEC, ASEAN had established a mechanism for economic cooperation with Japan, the United States, Canada, Australia, and New Zealand. ASEAN, she said, was concerned about the effect of APEC on the ASEAN dialogue-partner process and whether the five dialogue partners would pay attention to the ASEAN post-ministerial meetings.

But she said ASEAN members would be open to projects in APEC which would directly benefit them. These include trade, investment, technology transfer, and human resource development.

Singapore

Government 'Strongly Condemned' Iraq Invasion

BK0408131490 Singapore THE STRAITS TIMES in English 3 Aug 90 p 1

[Text] The Singapore Government strongly condemned Iraq's invasion of Kuwait yesterday, denouncing it as a blatant disregard of the United Nations Charter and principles of international law.

The action was a threat to the security of small states everywhere, said a government statement issued yesterday.

"Singapore calls for the immediate and unconditional withdrawal of foreign forces from Kuwait.

"Singapore urges Iraq to resolve its differences with Kuwait and its other neighbours by peaceful means as provided for in the UN Charter," the statement said.

Cambodia

National Assembly Continues Work at Session

3 Aug Activities Noted

BK0308160190 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Aug 90

[Text] On the afternoon of 3 August, the 19th session of the National Assembly's first legislature continued its work under the chairmanship of Comrade Chea Sim, member of the party Central Committee Political Bureau, chairman of the National Assembly, and deputy for the Prey Veng constituency.

This afternoon, Assembly members from the 20 constituencies attentively listened to the reports on the activities of the People's Supreme Court [PSC] read by Comrade Khang Sarin, president of the PSC; the activities of the Attorney General attached to the PSC read by Comrade Chan Min, general prosecutor; the implementation of the economic planning during the first six months of the year and its objective to be carried out in the second half of the year read by Comrade Chea Chanto, minister of planning; the implementation of the financial and national budgetary tasks during the first six months of the year, the financial and budgetary objective to be implemented in the second half of the year, and the amendment of the 1990 national budget read by Comrade Chhay Than, minister of finance; and the report on the activities of the Ministry of Foreign Affairs during the first six months of 1990 read by Comrade Dit Munti, first deputy foreign minister.

The session adjourned at 1700 and will continue on the morning of 3 August [as heard].

Meeting Held 4 Aug

BK0408065290 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Aug 90

[Text] On the morning of 4 August, the second day of the 19th session of the first National Assembly, the Assembly resumed its work under the chairmanship of Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly.

This morning, Assembly members from all constituencies listened to and examined with a responsible spirit reports on the military situation, the K-5 plan, and the proselytizing work in the first half of 1990, read by Comrade Tie Banh, defense minister; the report on the maintenance of political security and social order, read by Comrade General Sin Song, interior minister; the draft copy on the adjustment of the state budget in the 1990 fiscal year, read by Comrade Men Chhan, chairman of the Assembly's Planning and Economic Commission; the Council of State's proposal for relieving a member of the Council of State and naming a replacement, the Council of Ministers' proposal for relieving and naming a number of members of the Council of Ministers, and the proposal of the front's National Council for relieving two Assembly members and the resignation from the Assembly of a deputy, read by Comrade Cheam Yiep, deputy for the Prey Veng constituency; and the National Assembly's standing committee on the proposal to name a number of Council of Ministers members, read by Comrade Phlek Phirun, National Assembly secretary general.

At 1000, the Assembly's session adjourned to enable individuals to carry out research this afternoon and tomorrow for submission to the Assembly for decision. The session will resume on the morning of Monday 6 August.

6 Aug Morning Session Reported

BK0608064390 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Aug 90

[Text] The 19th session of the First National Assembly continued today with its fourth day of work under a lofty sense of responsibility for the destiny of the nation after having a one-and-a half-day recess for individual research.

At this morning's session, all assembly members listened attentively to a report on the implementation of the economic plan for the first half of 1990 and on a number of provincial requests to the Council of Ministers aimed at promoting the implementation of the economic plan in the provinces in the second half of 1990 read by

Comrade Kong Srun, assembly member for Battambang constituency; a report read by Comrade Cheam Yiep, assembly member for Prey Veng constituency, requesting the Council of Ministers to take strict measures to eradicate the deficit in the state budgets, to control financial assets, and to promote investment; a report by Comrade Thong Khon, assembly member for Phnom Penh constituency, requesting that the Council of Ministers pay attention to enhancing people's confidence in the new regime and to promoting the national economy in the new phase; a report by Comrade Cha Rieng, director general of the People's National Bank of Cambodia, calling for the control of currencies, expenses, and income; and a report by Comrade Chea Soth, vice chairman of the Council of Ministers, on problems related to electricity and a number of factories that have ceased production, on the problem of random state-private economic exploitation, and on the promotion and control of the four economic spearheads.

The session adjourned at 1030 and will continue this afternoon.

AFP Notes Resignation of Culture Minister

BK0508132390 Hong Kong AFP in English 1253 GMT 5 Aug 90

[Text] Phnom Penh, Aug 5 (AFP)—Cambodian Minister of Information and Culture Chheng Phon has resigned, an official source said here Sunday.

Mr. Chheng Phon officially resigned for health reasons, the source said, adding that the respected minister stepped down about two weeks ago. The source did not know if a new minister had been appointed to replace Mr. Chheng Phon, but said the Phnom Penh government had accepted his resignation.

Mr. Chheng Phon's resignation follows that of Public Health Minister Yit Kim Seng in May or June, reportedly due to his age.

In May the government placed the minister for telecommunications, transport and post, Ung Phan, under house arrest with six other officials for trying to set up a political party, according to officials. The government had not made any official statement on the positions of these ministers but it is believed that Yim Chhaili has been appointed the new health minister. He was previously a deputy in the ministry.

The source said a successor to Mr. Chheng Phon could be announced after the National Assembly ends its current session, which opened Friday.

Radio Says Beijing Meeting Stems From 'Panic'

BK0408123390 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Aug 90

[Station commentary: "Those Who Have Been Helping the Genocidal Pol Pot Regime"]

[Text] On 30 July, at the proposal of the Pol Pot clique, Samdech Sihanouk appealed to the three groups in the Cambodian national government to meet in Beijing. The goal of this meeting is to show solidarity among the three groups to the United States, which has shifted its policy by no longer supporting this resistance movement.

The initiative for this Beijing meeting was taken after Son Sann's maneuver to invite opposing Cambodian parties to meet in Paris was exposed by the comrade chairman of the State of Cambodia's Council of Ministers, forcing Son Sann to cancel it. The appeal by Samdech Sihanouk certainly resulted from his panic in the face of the disintegration of the Cambodian national government, namely the seat in the United Nations, and in particular the increased isolation of he Khmer Rouge and Pol Pot. This idea further reflects the true face of this prince.

Since 1982, although clearly realizing that the Pol Pot clique has not given up its genocidal policy, Samdech Sihanouk has agreed to be a smokescreen to defend this band of murderers at every international forum, particularly at the UN General Assembly. However, on 18 July, the United States, which previously had been a supporter of the Coalition Government of Democratic Kampuchea, declared that it no longer supports this government in exile. Since then, this prince has been searching for ways to prop up his coalition government and to keep the seat in the United Nations as long as possible. The main goal of this act is to use the forum of this supreme body to cover up the activities of the Pol Pot clique, which has made efforts to use the force of arms to prolong the bloody war in Cambodia.

However, what is more disconcerting is that during the past 11 years, Samdech Sihanouk—who has always talked about his patriotism, compassion for the people, and desire for 100 percent independence for the country—has instead clung to the Khmer Rouge and made all kinds of sacrifices so that this band of criminals escape condemnation and denunciation in order to bring back this genocidal regime.

For the past nearly 10 years, apart from China's over $100 million annual aid, Samdech Sihanouk has also secretly diverted the meager amount of money given by the United States and other international reactionary groups to the Khmer Rouge-Pol Pot group so that this group can buy weapons, ammunition, and mines to continue to kill and destroy the Cambodian people's lives and property. It is not difficult to understand Samdech Sihanouk's past and present activities; these have only been for the benefit of the Khmer Rouge-Pol Pot group.

The forthcoming meeting in Beijing is not for searching for peace for the Cambodian people but only for prolonging the war in Cambodia by encouraging the Pol Pot clique to further intensify the civil war in the country. The concern that Pol Pot would lose the seat in the United Nations means continued collaboration with the Pol Pot criminal clique; this is categorically denounced by the Cambodian people. The past and future assistance and support, both political and material, given to the genocidal Pol Pot regime—most hated the world over—will certainly not escape general denunciation and those providing this would lose their dignity as human beings.

Radio Reports 2 Aug 'Victory' at Svay Chek

BK0408170390 Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Aug 90

["Report on the Victory of Our People's Armed Forces on the Battlefield in Banteay Meanchey Province"]

[Text] According to reports from the frontline, at 0430 on 2 August, about 700 enemy soldiers launched a fierce offensive against the positions of our people's Armed Forces in Svay Chek. They were backed by artillery fire and intended to seize our Svay Chek position.

However, every enemy attempt was met with shameful defeats because our people's Armed Forces fought back until 1000 and pushed back the enemy who dared not oppose our forces and was forced to flee the battlefield taking with them their wounded colleagues. As a result, we killed 47 enemy soldiers, took a prisoner, and wounded a number of others; we also seized a quantity of war materiel.

This victory clearly confirms the constant readiness to fight and the valiant and courageous spirit of our people's Armed Forces in the task to defend the motherland and the national and social gains.

VOK on Nguyen Co Thach Visit to Phnom Penh

BK0408121590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 3 Aug 90

[Text] Diplomatic sources yesterday said that Vietnamese Foreign Minister Nguyen Co Thach made a secret visit to Phnom Penh before Vietnam holds talks with the United States on peace in Cambodia.

Diplomatic sources said that Nguyen Co Thach held talks with members of the Political Bureau of Heng Samrin's communist party, which has been propped up by Vietnam, to work out a common stance in the forthcoming talks with the United States in New York on peace in Cambodia. A high-ranking official of the Heng Samrin regime said that Nguyen Co Thach's visit, which began on Tuesday, was unofficial and will not be reported by the radio or newspapers of the regime propped up by Vietnam.

Among the key points of the talks were the end of military aid to all Cambodian parties, the cease-fire, the establishment of an interim government, and the free and just election in Cambodia. Analysts have predicted that the talks between the United States and Vietnam on peace in Cambodia could fail because of Vietnam's intransigent stance to maintain the regime it has propped up in Phnom Penh. However, some analysts said that these talks would enable the United States and the West to determine whether or not Vietnam genuinely wants to end the conflict in Cambodia.

VONADK on Prospects for U.S.-SRV Talks

BK0608060790 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Aug 90

[Station commentary: "There Will Be Nothing To Confirm That Vietnam Wants To Settle the Cambodian Problem Via Political Means If There Is No Presence of a UN Peacekeeping Force in Cambodia"]

[Text] According to the recently announced U.S. policy shift, the United States and Vietnam will hold talks on Cambodia in New York on 6 August.

World public opinion, particularly the opinion of the Southeast Asian people, who have known very well the true annexationist and expansionist nature and the real tortuous inventive character of the Hanoi enemy aggressors, have neither counted on nor been flustered by the meeting. This is because the Vietnamese enemy aggressors have changed neither the position nor attitude which would assure that Vietnam is willing to resolve the Cambodian problem via political means.

By all appearances, peace proposals successively put forward by His Royal Highness Samdech Norodom Sihanouk, the National Government of Cambodia [NGC], and the Cambodian National Resistance Forces [CNRF]; peace plans continuously proposed by ASEAN; resolutions annually endorsed by the UN General Assembly since 1979; and resolutions adopted by the UN Security Council during its five previous meetings have been totally rejected. Vietnam and its lackey puppets are opposed to the UN control and supervision and the stationing of a UN peacekeeping force in Cambodia.

This is an issue of vital importance but not one of certain promises made by the Soviet Union or Vietnam. Without UN verification and supervision and without the presence of a UN peacekeeping force, what can justify that Vietnam wants to see the Cambodian problem settled via political means? What can confirm that Vietnam has already withdrawn its aggressor troops from Cambodia? What can ensure peace, security, and tranquillity in Cambodia during the transitional period and after? What can guarantee that elections will be free and fair? No, there is nothing at all.

Without a UN presence in Cambodia, the danger posed by Vietnam will be fatal and permanent to the Cambodian nation and people, and Vietnam will remain a constant threat to peace, security, and stability in Southeast Asia and the whole Asia-Pacific region. That being the case, the NCG, CNRF, as well as peace- and justice-loving countries the world over, along with the states in the region, have incessantly demanded that the Cambodian problem be resolved via a comprehensive political solution; that the United Nations play an enhanced control and supervisory role over all types of issues, ranging from the withdrawal of all Vietnamese aggressor forces from Cambodia to elections in the country; and that a UN peacekeeping force continue to stay in Cambodia for some time after the elections in order to guarantee Cambodia's independence and peace, thereby safeguarding lasting peace, security, and stability in the region.

Officials Note Increased Relocation of Refugees

BK0508014890 Hong Kong AFP in English 0131 GMT 5 Aug 90

[By Charles-Antoine de Nerciat]

[Text] Bangkok, Aug 5 (AFP)—Cambodia's guerrilla factions may be stepping up the relocation of refugees from camps along the Thai border to dangerous sites inside Cambodia, according to relief officials interviewed here. Speaking on condition of anonymity, the officials said there were indications that the Khmer Rouge was moving refugees under its control to jungle areas infested with malaria and landmines.

The Marxist Khmer Rouge, which ruled Cambodia from 1975 to 1979, now dominates a resistance coalition that includes non-communist followers of former monarch Prince Norodom Sihanouk and former Prime Minister Son Sann.

The officials said there were indications that Prince Sihanouk's faction was also sending refugess from a camp in Thailand back across the border, in an apparent bid to intensify military operations and populate areas seized from Phnom Penh government forces.

No comment was available from the guerrilla factions, which administer border camps for an estimated 300,000 refugees fleeing war and poverty in Cambodia.

The Khmer Rouge, backed by China and held responsible for the deaths of hundreds of thousands during its nearly four-year rule, has already sent thousands of refugees back to Cambodia this year.

Beijing provides lesser military assistance to Prince Sihanouk's guerrilla faction and the Khmer People's National Liberation Front (KPNLF), led by Mr. Son Sann—both of which receive non-lethal aid from Washington.

Refugee officials and diplomats said the relocation of refugees may be linked to diplomatic developments. They speculated that guerrilla leaders would be likely to counter the impact of Washington's announcement last month that it was withdrawing diplomatic support for the guerrillas' seat at the United Nations by strengthening their hold on "liberated" zones.

But one source familiar with the camps cautioned that while commanders of Prince Sihanouk's force wanted to relocate many of the roughly 56,000 refugees in their Site B settlement, close to Cambodia's northern border, they had insufficient funds to pay for it.

Site B, some 450 kilometers (250 miles) northeast of here, is the only camp run by Prince Sihanouk's faction. The United Nations Border Relief Operation (UNBRO) and other relief agencies provide its food and medical supplies. The agencies also give aid to more than 70,000 refugees in three camps administered by the Khmer Rouge, as well as Site 2 with 165,000 refugees and Sok San with 10,000. Site 2 and Sok San are run by the KPNLF.

Some refugee officials complained of a "stepped-up militarization" at Site B, and said that was probably the reason why hundreds had fled the camp to move to Site 2.

The refugee officials said the latest refugee population moves by the Khmer Rouge are related to logging and gem-mining concessions inside Cambodia sold by the group to Thai companies. More than 1,000 people, for example, are said to have "disappeared" recently from the Khmer Rouge camp at Site K in southeastern Thailand, to be hauled into Cambodia to build roads and jungle trails for trucks to carry logs to the border. For apparently broader political reasons, administrators at the Khmer Rouge O Trav settlement east of Site B are believed to have warned that the camp of 20,000 would be empty by the end of the year.

As the Thai Government has shown signs of growing impatience with the Cambodian refugee problem, the Khmer Rouge has already moved thousands from its "secret" border camps back to Cambodia this year. These camps, which were accessible only to the guerrillas and elements of the Thai Armed Forces, are now empty. In January, the Khmer Rouge returned most of the 4,400 people in a camp at Borai to Cambodia in a move to preempt their relocation by UNBRO to nearby Site K.

VODK Reports 57 Arrested in Kompong Thom

BK0408080290 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 3 Aug 90

[Text] After the fraternal Cambodian soldiers lobbed grenades into the festival hall in Kompong Thom town on 26 July, killing 10 Vietnamese enemies and their puppet ringleaders and wounding six others, the Vietnamese aggressors and the ringleaders of the Vietnamese-lackey puppet traitors have arrested and jailed the people and the fraternal Cambodian soldiers, militiamen, and low-ranking puppet administrators in Kompong Thom town.

On 26 July alone, the Vietnamese aggressors ordered their lackeys, the puppet traitors, to arrest and jail 57 Cambodian people, soldiers, and low-ranking puppet administrators. They tortured these detainees, accusing them of throwing the grenades and colluding with those who threw the grenades that killed many of their colleagues.

The fraternal people, soldiers, and low-ranking administrators in Kompong Thom town have become even more enraged over these barbarous and cruel acts of the Vietnamese aggressors and their lackeys—the puppet traitors who have arbitrarily accused and arrested people for no reason. The people, soldiers, and low-ranking puppet administrators are waiting for the national resistance forces and our people to launch another attack to liberate Kompong Thom town so they can attack the Vietnamese aggressors and their puppets inside the town to contribute to totally liberating Kompong Thom town.

Indonesia

China's Li Peng Arrives for Official Visit

BK0608103490 Jakarta ANTARA in English 1004 GMT 6 Aug 90

[Text] Jakarta, Aug 6 (OANA-ANTARA)—Chinese Prime Minister Li Peng arrived here Monday afternoon to start a five-day official visit to Indonesia which marks the resumption of diplomatic relations between the two Asian countries after a 23-year break.

He was greeted at the Halim Perdana military air base here by Foreign Minister Ali Alatas before being whisked to the Merdeka Presidential Palace here for official welcoming ceremony led by President Suharto and other ranking government officials, as well as members of the diplomatic corps.

During the ceremony he will be given a 19-gun salute.

President Suharto and Chinese Prime Minister Li Peng are scheduled to hold talks on Tuesday, August 7, here while on the next day the two countries' foreign ministers will sign a document on the resumption of diplomatic relations between Jakarta and Beijing.

Meanwhile, Minister/State Secretary Murdiono told newsmen Friday that the two governments would also hold parallel discussions when the two leaders hold their official discussion at the Merdeka Palace.

He also said that the two governments would also sign a Memorandum of Understanding (MOU) on trade.

On Tuesday evening Prime Minister Li Peng would attend a state banquet hosted by President Suharto at the State Palace.

Premier Li Peng is scheduled to give a press conference on Wednesday August 8, followed by a meeting with about 200 selected figures representing various circles.

On Thursday, the Chinese leader and entourage will take leave of President Suharto before continuing their trip to Bandung to closely observe the Asia-Africa museum and visit the Indonesian aircraft industry IPTN.

From Bandung Premier Li Peng will proceed to Bali before returning home on Friday.

During his trip to regions, the Chinese leader will be accompanied Minister Alatas.

Beijing Asiad Fans Must Get Clearance First

BK0508093090 Jakarta MERDEKA in Indonesian 26 Jul 90 pp 1, 11

[Excerpt] Jakarta, Wednesday [25 July] MERDEKA—A total of 5,000 Indonesians will be allowed to go to Beijing to support the country's sports contingent at the Asian Games in Beijing, the PRC, in September. The government will approve this relatively high number of people to go as supporters through the services of the Inter-Departmental Team, an agency specially set up for this purpose.

Speaking at the KONI [National Sports Committee] Secretariat in Jakarta, Joko Budi Suprayitno, an assistant to the minister of youth and sports affairs and also chief of this Inter-Departmental Team, said the team is in charge of monitoring the possible emergence of political issues following the normalization of diplomatic ties with the PRC. He added that the government will be very careful in issuing exit permits to Indonesian nationals who want to be sports fans at the Beijing Asian Games scheduled for 22 September-8 October.

"The government will screen the would-be supporters and give them security clearances first before they can go," said Suprayitno. Therefore, he warned the supporters against indulging in political activities—something which might be carried out by former members of the PKI [Indonesian Communist Party] and its mass organizations.

"We will not allow elderly supporters to go because they may have known a lot about the PKI in their youth," said Timbul Thomas Lubis, deputy secretary general of KONI, who will lead the team of Indonesian supporters to Beijing.

Suprayitno said security clearances for the supporters must be obtained from related agencies including the State Secretariat, the Directorate General of Immigration, the Directorate General of Foreign Sociocultural Relations of the Department of Foreign Affairs, the Directorate General of Customs, the State Intelligence Coordinating Agency, the Strategic Intelligence Agency of the Indonesian Armed Forces, the Office of the Minister of Youth and Sports Affairs, Garuda Airlines, and the KONI Secretariat. [passage omitted]

Laos

Size of U.S. Carrier Fleet Questioned

BK0508145990 Vientiane Domestic Service in Lao 1200 GMT 4 Aug 90

[PASASON feature: "The Arms Have Been Reduced, But Is It True That Preparations For The Cold War Have Ended?"—date not given]

[Text] Various nations have been pleased with the process of arms reduction, in particular the reduction of nuclear and chemical weapons as carried out between the Soviet Union and the United States. These nations have also been pleased with the relaxation of tension between West and East. But what should be brought to attention here is that as the arms have been reduced, one side has intended to increase the number of weapons.

Not many years ago, U.S. military experts themselves believed that to defend their islands the United States needed no more than five or six aircraft carriers. But in December last year, the U.S. Navy received and put into active service the 16th aircraft carrier, named the "Abraham Lincoln." Yet, in late July this year, the U.S. Defense Department also launched the fifth nuclear-powered aircraft carrier under the name of "George Washington," thus bringing the total number of aircraft carriers in active service to 17. This heavy aircraft carrier has a capacity of 16,400 tons. It is capable of carrying some 6,000 soldiers and transporting some 90 warplanes, 40 of which are capable of carrying nuclear weapons with warheads ranging in size from dozens of kilotons to one megaton. This has caused tremendous surprise and concern among peace-loving forces. First of all the questions are raised: Why does the United States want such a large number of aircraft carriers? Is it true that all those aircraft carriers are needed to defend its island territories?

In his speech at the ceremony marking the launching of the aircraft carrier "George Washington", U.S. President George Bush said: Even now aircraft carriers are considered an inseparable part of the U.S. arsenal. Those aircraft carriers guarantee the expansion of our military might and the maintenance of peace. The U.S. president continued: We have not yet entered an era of durable peace. The U.S. military might serves as a world force which is significant for guaranteeing peace. In addition, President Bush recalled the words conveyed by George Washington some 200 years ago, when the war for independence against the British was going on, when he said: Be prepared to muster for war. These aircraft carriers are considered very effective tools for safeguarding peace.

Through these words and actual practices, many politicians believe that Washington's ruling circles have not yet abandoned the doctrine of maintaining peace on the basis of force. Following the demolition of the Berlin wall, people believe that the era of the cold war has come to an end. Now, the question arises: Is that enough evidence to prove that the cold war is over?

Nouhak Phoumsavan Returns After SRV Visit

BK3107044790 Vientiane Domestic Service in Lao 0000 GMT 31 Jul 90

[Text] After paying an official friendship visit to the SRV for six days, Supreme People's Assembly [SPA] Chairman Nouhak Phoumsavan and his entourage returned to Vientiane last Saturday morning.

Welcoming SPA Chairman Nouhak Phoumsavan at Wattai Airport were Phoun Sipaseut, vice chairman of the Council of Ministers and foreign affairs minister; Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance; Thongsing Thammavong, SPA vice chairman; Sisavat Keobounphan, chairman of the Vientiane Municipal Administration; and a number of SPA members and cadres concerned.

Nguyen Xuan, SRV ambassador extraordinary and plenipotentiary to Laos, was also on hand at the airport to welcome Nouhak Phoumsavan and his entourage.

During his visit, Nouhak Phoumsavan laid a wreath at the Ho Chi Minh Mausoleum to pay respect to the late president, visited the late president's office and house, and visited the Ho Chi Minh Museum. He also paid a courtesy call on Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, and Vo Chi Cong, chairman of the SRV State Council.

During the talks with Vietnamese National Assembly Chairman Le Quang Dao, the two chairmen informed each other of the current situation in regard to renovation in Laos and Vietnam in accordance with the contents of the seventh, eighth, and ninth resolutions adopted by the Fourth Lao People's Revolutionary Party Central Committee and the resolutions adopted at the Sixth CPV Congress. The two personalities reaffirmed that the renovation policy was correct and has begun to bear some fruit in the initial stage, thereby contributing to normalizing the political situation, reducing socioeconomic difficulties, and improving the living conditions of the peoples in the two countries. The two countries have ceaselessly continued to promote their relations with the international community, thus creating favorable conditions for the realization of the renovation policy.

SPA Chairman Nouhak Phoumsavan also visited a number of economic and cultural foundations in Hanoi, Hi Chi Minh City, Dong Nai Province, and the Vung Tau-Con Dao special sector. At each place he visited, Nouhak Phoumsavan was accorded a warm welcome by the fraternal Vietnamese cadres and people there—a gesture clearly reflecting that the time-honored special relations of friendship and close solidarity between the Lao and Vietnamese peoples have been continually developed and strengthened.

Nakayama Pledges To Help End Cambodian Conflict

OW0308140390 Tokyo KYODO in English 1248 GMT 3 Aug 90

[Text] Vientiane, Aug. 3 KYODO—Japanese Foreign Minister Taro Nakayama Friday responded favorably to a Laotian request that Japan help persuade the Khmer Rouge, the strongest guerrilla faction of the Cambodian resistance coalition, to join in peace talks.

Nakayama told Laos' Supreme People's Assembly Chairman Nouhak Phoumsavan that Japan will call on concerned nations to facilitate Khmer Rouge participation in creating a Supreme National Council (SNC) aimed at ending the country's 11-year-long conflict.

At talks held in Tokyo in June, it was agreed that the SNC would serve as an interim governing body and comprise representatives from both Phnom Penh's Vietnam-backed Heng Samrin government and the tripartite resistance coalition government which includes the Khmer Rouge and is nominally led by Prince Norodom Sihanouk.

During the 40-minute talks, Nouhak thanked Japan for its economic assistance to Laos which he said was the model for other nations offering aid.

Nakayama promised earlier in the day to donate 300,000 dollars through the United Nations Educational, Scientific, and Cultural Organization to further the nation's maintanance work on historic sites, dispatch an economic mission and law specialists, as well as improve services in medical, agricultural, and other areas.

Nakayama, who arrived at the Laotian capital on Thursday, also visited the city's largest open-market and a technology development center established with Japanese aid.

Nakayama, on the last leg of an 11-day, four-nation Asian tour which also took him to Indonesia, Singapore, and Thailand, will return to Tokyo on Sunday 5 via Bangkok.

He was the first Japanese cabinet minister to visit Laos in 23 years since then Prime Minister Eisaku Sato visited the country.

Japan's Nakayama Concludes Two-Day Visit

Message Issued to Lao People

BK0408153990 Vientiane Domestic Service in Lao 1200 GMT 3 Aug 90

[Message from Japanese Foreign Minister Taro Nakayama to Lao people following his 2-day visit to Laos—read by announcer]

[Text] Beloved Lao people, on the occasion of my visit to the Lao People's Democratic Republic [LPDR] I am highly honored and very pleased to have an opportunity to directly talk to beloved Lao friends. This first visit to Laos by the Japanese foreign minister since the establishment of the LPDR has taken place following the explicit improvement of relations between Japan and Laos over the previous years. Many supreme Lao leaders, such as His Excellency Phoun Sipaseut, vice chairman of the Council of Ministers, took turns in paying visits to Japan in the previous years. Noteworthy is the visit by His Excellency Kaysone Phomvihan, chairman of the Council of Ministers. The Japanese people have highly appreciated the visit by His Excellency Kaysone Phomvihan as it was his first visit to an industrialized, democratic country. The Japanese people have hailed the visit and hoped that following the visit, Japanese-Lao relations will develop further. Based on this atmosphere I wanted to visit Laos as soon as possible, and now I am glad that my aspiration has been realized.

It is apparent that the Lao people feel that Japan and Laos were distant from each other despite the fact that Japan is also situated in Asia. In fact, the two countries are situated in the same monsoon zone in Asia. They have maintained similar cultural and customary practices. For example, most Japanese and Lao people believe in Buddhism. Before the introduction of Buddhism, traditional religions existed in the two countries—[words indistinct] in Laos and Shinto region in Japan. These two religions expanded their influences separately in the same way that Buddhism does now. The Japanese and Lao people have then established their own religions in their respective countries. In their daily life, the Japanese people like the Lao people eat rice, and they also use soybean sauce in the same way as the Lao people use fish sauce in cooking food. The beautiful natural scenery in Laos—the melodious flow of the water from various waterways into the Mekong River and the vast area of green ricefields—as viewed by me while flying on the plane before landing at Vientiane Airport, is considered a rare view [word indistinct]. It makes me miss Laos. I am convinced that the similarities between the two countries will serve as the basis for the continual improvement of bilateral relations in the future.

At present—the point of time from which there are only 10 years before we enter the 21st century—there are wide changes in the situation in our globe. In Europe, the Berlin wall—which is considered a symbol of clashes between east and west over the past 30 years—has been demolished. A new order has also been established in international relations. Earlier, the economy of various countries in the Asia-Pacific region had been vigorously developed. In view of this situation, I have received news, with delight, that under the leadership of His Excellency Kaysone Phomvihan, chairman of the Council of Ministers, the LPDR has been carrying out economic reform by using the goods-oriented economy as the main target while promoting relations with various countries with different political systems. Moreover, in recent years Laos has attentively consolidated the legal system and stepped up education. I am of the view that the aforesaid policies have been appropriately selected for the future of the Lao nation and people.

Since it was freed from the feudalist system some 120 years ago, Japan has carried out modernization in all respects, particularly in public education and the promotion of foreign trade. Japan has finally joined industrialized countries. Japan has vigorously supported the persistent efforts of the Lao people. In the previous years, Japan has rendered as much assistance to Laos as it could in order to help Laos achieve success in economic development and improve the living conditions of the Lao people. The Japanese government is highly determined to strengthen cooperation with Laos which has now widely pursued an open-door policy.

Though my visit to Laos on this occasion is short, I have received a warmest welcome from top-level Lao leaders, namely His Excellency Phoumi Vongvichit, acting president of the republic, and His Excellency Nouhak Phoumsavan, chairman of the Supreme People's Assembly, and in particular from the Lao people. During the visit I exchanged views in a straightforward manner with His Excellency Phoun Sipaseut, vice chairman of the Council of Ministers, on international issues. I also discussed with him ways and means to effectively strengthen bilateral relations.

I would like to avail myself of this occasion to express wholehearted thanks to all persons concerned. If this visit to Laos by me should serve as a turning point for the fruitful promotion of Lao-Japanese relations and if, following the visit, the beloved Lao friends begin to get acquainted with the Japanese people, nothing can then replace my pride.

Calls on Nouhak, Leaves for Home

BK0308150190 Vientiane Domestic Service in Lao 1200 GMT 3 Aug 90

[Text] This morning, at the office of the Council of Ministers, His Excellency Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR], received a courtesy call from the Japanese Government delegation led by His Excellency Foreign Affairs Minister Taro Nakayama.

The host and guest discussed the relations and cooperation in various fields between Laos and Japan, especially the various projects funded with the Japanese Government's assistance to the LPDR.

His Excellency Nouhak Phoumsavan thanked the Japanese Government for its goodwill and interest in rendering additional assistance to Laos in the economic and cultural fields and in other construction projects both at present and in the future.

With regard to the Cambodian problem, His Excellency SPA Chairman Nouhak Phoumsavan acclaimed the relentless efforts made by the Japanese Government in trying to quickly settle the conflict in Cambodia. For instance, the Japanese Government recently provided conveniences to His Excellency Chairman of the Council of Ministers [of the State of Cambodia] Hun Sen and Prince Norodom Sihanouk to meet in Tokyo. His Excellency Nouhak Phoumsavan once again called on His Excellency Taro Nakayama to exert efforts to encourage all Cambodian factions and the other parties concerned to proceed to set up the National Supreme Council for Cambodia sooner on the basis of the spirit of the Tokyo meeting between His Excellency Hun Sen and Prince Norodom Sihanouk.

After paying the courtesy call on His Excellency SPA Chairman Nouhak Phoumsavan, His Excellency Taro Nakayama and his party proceeded to visit some production and cultural foundations, including the projects funded by the Japanese Government's assistance, in Vientiane capital.

This afternoon the Japanese Government delegation left for home via Thailand after ending its 2-day official visit to Laos.

PRC Aid in Airfield Building in North Reported

BK0108103290 Vientiane KPL in English 0900 GMT 1 Aug 90

[Text] Vientiane, August 1st (KPL)—The Lao northern province of Luang Namtha and Yunnan Province of China have planned to have economic cooperation. In particular, Yunnan will cooperate with Luang Namtha in building a local airfield capable of providing service to aircraft of up to 27 tonnes. This was disclosed by Mr. Loi Chansavat, vice governor of Luang Namtha.

He further noted that the airfield had a dimension of 1,200 x 20 metres. At both ends of the landing strip there are tarmacs. The runway of the airfield was flanked by draining trenches. The construction will start in the middle of August.

Another cooperation project between these two provinces is the sur for the construction of a hydro power station in Namtha District. The survey will be implemented in the first half of 1991. The construction work is expected to start in early 1992.

Philippines

Aquino Sees 'No Serious Threat' to Oil Supply

HK0408045690 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 4 Aug 90

[Text] President Aquino said the Iraq-Kuwait war will pose no serious threats to the country's crude oil supply from the Middle East. However, Mrs. Aquino voiced her concerns about the effects of the conflict on oil prices. In a press statement, the president said the possible impact of such [a] war between the two Persian Gulf countries, which comprised 20 percent of the total supply of the country's crude oil, [words indistinct] at which oil would be available, but even this has to be monitored over the next few days or weeks.

The chief executive speculated that if the [words indistinct] Organization of Petroleum Exporting Countries' control of its members, then prices may end up lower than expected. Furthermore, she said: OPEC has learned that it cannot artificially impose unreasonably high prices for oil in the rest of the world. Mrs. Aquino stressed that the government will pursue all ways to cover our oil needs, including availment of non-Middle East sources of oil.

Editorial Deplores Iraq's 'Economic Blackmail'

HK0408082290 Manila THE MANILA CHRONICLE in English 4 Aug 90 p 4

[Unattributed editorial: "Iraq Uses War for Economic Blackmail"]

[Text] The treacherous invasion of Kuwait by Iraq the other day is a grim reminder to all of us that there are still leaders who would not hesitate sending their own people to a war for the pursuit of personal whims. Iraq's President Saddam Husayn sent about 100,000 troops, veterans of that country's recently ended eight-year war with Iran, and overran Kuwait's capital after a day-long blitz attack. The Iraqi leader claimed that Kuwait had been "stealing" crude oil from oilfields that sit on the two Arab nations' common border. Iraq also charged that Kuwait, along with the United Arab Emirates [UAE], had been flooding the world market with low-priced oil, causing the current global supply glut and declining revenues for the oil producers.

The fact is Saddam Husayn has been nursing a bruised reputation caused by the reverals that the Iraqi economy suffered as a result of its 1980-88 war with Iran. Despite its oil reserves of about 100 billion barrels, Iraq is saddled with a foreign debt of $60-70 billion, much of its incurred during its war with Iran. Kuwait, ironically, is one of Iraq's major creditors.

Although still able to strike fear among his people and among his peers in the Arab world, Saddam suffers from a declining popularity at home and abroad. A 1983 book published by his brother disclosed that in a span of 15 years, Saddam was the target of at least seven assassination attempts. Shrinking oil revenues can only exacerbate Iraq's economic difficulties, and further erode Saddam's popularity. Obviously, Saddam is using war as a tool for economic blackmail. For that alone, Iraq's invasion of Kuwait must be condemned. Mankind's recent bitter lessons from such aggressive adventurism, in pursuit of political or economic ends, are still too fresh to be ignored by the world's leaders.

Saddam's recent success in agitating for oil price increases among the members of the Organization of Petroleum Exporting Countries (OPEC) may have encouraged him to pursue bolder moves. Worried by his domestic problems, Saddam moved for OPEC-wide production cutbacks that would lead to higher oil prices. Putting the blame for the currently low prices on Kuwait and the UAE, he succeeded in getting the other oil producers, who are all too familiar with Iraq's war arsenal (that reportedly includes poison gas and nuclear weapons), into raising oil prices by about 20%.

The treachery of the Iraqi leader's agenda showed when, just after the break-up of a conference intended at resolving its differences with Kuwait, Iraq attacked its southern neighbor. Preparations for the invasion were obviously under way even while the conference was being held. It is reported that Saddam's image as one who is "no stranger to ruthless action," is keeping the other Arab leaders silent. Iraqi's irresponsible act has pushed the world to the brink of another global war. Some other nations may be blinded by Saddam's rhetoric and support his invasion that could spread to other Middle Eastern kingdoms. We can only pray that the more sober minds prevail.

For the Philippines, the crisis can only mean higher prices of oil imports. Some dislocations in the supply are possible, though the country can rely on its oil-producing neighbors in the ASEAN. To thousands of Filipino households, too, a prolonged confrontation in the oil fields could mean lost jobs. The violence of war injures even those who just want to toil in peace. That makes Saddam's act even more condemnable.

Recognition of New Kuwaiti Regime Delayed

HK0608094190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Aug 90

[Text] The Philippines is adopting a wait-and-see attitude on whether to recognize the new government installed by Iraq in Kuwait. Here are the details from Rey Arquiza of DZRH Unit 21:

[Begin Arquiza recording] Foreign Undersecretary Manuel Yan said today that the Philippines is awaiting new developments regarding the new government installed by the Iraqi government in Kuwait before deciding on whether to recognize it or not. The Philippines is still trying to ascertain the true situation in Kuwait. This was announced by Undersecretary Yan when asked if the Philippines will recognize the new Kuwaiti Government set up by Iraq. He added that the Department of Foreign Affairs is verifying reports of withdrawal of Iraqi troops in Kuwait.

Reports indicated that Iraq has established a provisional government in Kuwait headed by one Colonel (Ala Hussein Alih), a son-in-law of Iraqi President Saddam Hussein. Diplomatic observers maintain that if the Philippine Government does not recognize the new Iraqi-installed government in Kuwait, the future of thousands of Filipino contract workers in the country may be compromised. Meanwhile, Undersecretary Yan announced that more than 2,000 Filipino contract workers who want to return to the Philippines immediately have obtained travel documents by the Philippine Embassy in Kuwait. [end recording]

Government Eyes Five-Month Base Talks Timetable

HK0608080590 Manila THE MANILA CHRONICLE in English 6 Aug 90 p 6

[By staff member Johanna Son]

[Text] The Aquino government is eyeing a five-month timetable for the bases talks that would decide the future of the U.S. military facilities in the Philippines. If "nothing happens" by January 1991—or five months after the talks start in late August or early September—

the Philippines would tell the United States to pull out both Clark air base and Subic naval base when the bases agreement ends on Sept. 16, 1991.

Senate President Jovito Salonga quoted Foreign Secretary Raul Manglapus as saying that if no progress or agreement is made by January, "mailwanag na out na sila (US)" [it is clear that they will be ousted]. But "hopefully something can happen before then," Salonga added.

Manglapus discussed the future of the bases with 14 senators who attended a dialogue organized by Salonga in his Laguna resthouse. Present was Jose Abueva, chairman of the legislative-executive bases council, who reported on the preliminary draft of bases conversion plans. These include the conversion of Clark into a civil aviation complex and Subic into a maritime industrial complex. Abueva said that the La Union provincial government has requested that 50 hectares of Wallace Air Station in Poro Point be turned over to it. He said La Union wanted to use the area to house businesses and firms which wanted to transfer from Baguio City after the July 16 quake. The desired hectarage is less than half of Wallace's territory.

Abueva said that Government could begin converting the reverted baselands immediately. "We are free to intensify the development (of these areas)," he said. The Philipine Government has already served notice that the 1947 bases agreement expires on Sept. 26, 1991, and Manglapus reiterated that Manila's "optimum position" is that all the facilities must go next year. Manglapus agreed that there was "speculation" that to the U.S. government Clark was more "dispensable" to the U.S. than Subic, but he added that theory could be tested only when Manila and Washington open negotiations soon. Manglapus confirmed that the talks will be held in Manila either during that last week of August or the first week of September. They would probably be held in the Central Bank building, the same venue for the exploratory talks.

Officials Discuss New Security Threats, Treaty

HK0608051990 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 6 Aug 90

[Text] Educators, scholars, members of the House of Representatives, and top officials of the executive department met with 14 senators yesterday and discussed the proposed treaty of friendship, cooperation, and security between the Philippines and the United States during a dialogue on the fate of the U.S. military facilities in the country.

Foreign Secretary Raul Manglapus cited the need to talk about our security beyond the presence of these American bases. After these bases are gone, what is it that we have in mind for our mutual security. Manglapus said the Philippines cannot ignore the developments in the region, mentioning India as a reality not as a protector but as a force to reckon with now that it has three aircraft carriers. He said that ASEA nations are thinking that after the Soviet Union, there is Japan to worry about, then China or Vietnam, in addition to India.

Coup Attempt Report Prompts Military Red Alert

HK0608051190 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 6 Aug 90

[Text] Most military camps were put on red alert yesterday after intelligence reports said dissident soldiers would try to launch another coup attempt against President Aquino. According to AFP [Armed Forces of the Philippines] Brigadier General Lisandro Abadia, the red alert status was ordered in the Army, Air Force, and Constabulary headquarters in Manila.

Aquino's Handling of Drug Bust Shootout Attacked

HK0608081190 Manila THE MANILA CHRONICLE in English 6 Aug 90 pp 1, 8

[By staff member Noli Cabantug]

[Text] The Constabulary chief and 100 officers under him have signed a manifesto protesting the order by a presidential task force stopping all investigations into the killing of two fellow officers and a civilian military-intelligence agent in an alleged heroin bust. In their manifesto, made public yesterday, Brig. Gen. Gerardo Flores and his officers called the order "a clear case of obstruction of justice and a brazen attempt to derail the wheels of justice."

The constabulary's Criminal Investigation Service had filed murder charges against 10 Manila policemen assigned to the National Bureau of Investigation (NBI), three of its officials and three Americans, all agents of their Drug Enforcement Agency, in the killing of Col. Rolando de Guzman, Maj. Franco Calanog and Avelino Manguera. But the task force's order stopped the pretrial investigations even before they could be begun by the Rizal provincial fiscal's office, in the case of the NBI officials and the Americans, and the Judge Advocate General's Office, in the case of the policemen. That left the task force to handle the case exclusively.

The manifesto said the filing of the charges "is in accordance with appropriate legal procedures" and called the order a result of "political pressure." The officers also denounced the United States government, particularly its Drug Enforcement Administration, "for readily dismissing the murder charges as as mere military attempt at (a) cover-up." "We denounce the order of Presidential Fact-Finding Committee headed by Presidential Assistant on Judicial Affairs Magdangal Elma to all government agencies to suspend their investigations of the incident and the withdrawal of all pieces of evidence relating to the case," the manifesto said.

"The integrity of the investigators would certainly be questionable if, after finding sufficient evidence to warrant the filing of criminal case, they do not proceed with the necessary legal actions," it added. "Is the Commission not strong enough to withstand political pressure and maintain its integrity?" the manifesto asked. "It is equally disheartening to note that the United States, specifically its Drug Enforcement Administration (DEA), considered the champions of truth and fairness, would readily dismiss the murder charge as a mere military attempt at (a) cover-up." "On what do they base this claim? Is it not a prejudgment from the people who have been heralded as the champions of truth? Who is covering up the truth?" it added.

Two NPA Leaders Arrested in Manila 3 Aug

HK0408082690 Manila THE MANILA CHRONICLE in English 4 Aug 90 p 1

[By staff members Noli Cabantug and Paulynn Sicam]

[Text] Two ranking leaders of the New People's Army (NPA) were caputred in a military raid yesterday in Sampaloc, Manila. The communist captives, according to military sources, were Randall Echanis, head of the NPA's political department and chief of its military commission, and Alfredo Simbulan, the man directly supervising the Alex Boncayao Brigade, the NPA's assassination force in Metro Manila.

Simbulan and Echanis were arrested in a house near the University of Sto. Tomas in Sampaloc late in the afternoon, the sources said. They would not, however, give the details of the arrest. Their capture followed the discovery that the Communist Party had resumed its bloody purge of suspected deep penetration agents (DPA) from the military. A high intelligence officer told the CHRONICLE yesterday the purge was revealed in a letter of Benito Tiamzon, the party's central committee chairman. The letter, he said, was intercepted by the military before it could reach Jose Ma. Sison, the party's chairman, now in exile in Holland.

The purge, the officer said, picked up from 1988 when over 40 suspected DPAs were killed. This time, he said, 65 have been dealt with, although it was not clear how many were executed, and 30 others were ordered to be arrested. The purge presumably occurred from May to July in Southern Luzon, Metro-Manila and parts of Mindanao, he said. He noted that it followed the April 10 capture at the international airport in Pasay City of Antonio Cabardo, the NPA vice-chief of staff.

According to the Tiamzon letter, the officer said, four high party leaders were investigated for Cabardo's capture—Secretary General Ricardo Reyes, Lualhati Abreu, a member of the Manila-Rizal regional executive committee; Philip Limjoco, a member of the Southern Luzon Commission; and Jose Luneta, secretary-general of Southern Tagalog party committee. All were cleared in the end, however, except Reyes, who was still awaiting the verdict, the officer said. He noted that this was the second time Reyes was suspected as a spy. In 1986, he was accused by communist leader Rodolfo Salas of giving the military the information that had led to his capture. Salas' accusation rocked the party at its highest levels. Reyes remained in his position, although his real power was eroded. The military reports that its anti-insurgency campaign has decidedly turned the tide in the government favor.

More on Captured Insurgent Leaders

BK0408120890 Hong Kong AFP in English 1141 GMT 4 Aug 90

[Text] Manila, Aug 4 (AFP)—Two high-ranking leaders of the Communist insurgent movement were captured in the Philippine capital Friday, military spokesmen said here Saturday. Meanwhile, three highway patrolmen and two civilian paramilitary agents were killed by about 50 heavily-armed Communist guerrillas riding aboard a stolen dump truck in Quezon Province, southeast of Manila, police reports said.

The captured insurgents were identified as Randall Echaniz, a Central Committee member of the banned Communist Party of the Philippines (CPP) and Alfredo Simbulan, a member of the CPP's Special Operations Department and of the General Command of the CPP's guerrilla arm, the New People's Army (NPA.)

The two were captured in separate areas of this city Friday. A .380 caliber Llama automatic pistol was confiscated from Mr. Echaniz while a fragmentation grenade and a Smith and Wesson .357 magnum was seized from Mr. Simbulan. The NPA is the armed wing of the CPP and has been waging a guerrilla war in this country's hinterlands for 21 years. The military said the arrest of the two men was "the result of three months intelligence operations against top-ranking NPA personalities."

In Lucena City, the capital of Quezon Province, police reports said three patrolmen backed by two civilian agents were manning a highway checkpoint just outside the city late Friday when the NPA guerrillas riding aboard a stolen government truck attacked them. The lawmen were killed on the spot. The NPA guerrillas then took the slain patrolmen's two M-16 rifles and a .357 magnum revolver and fled. The stolen truck was recovered an hour later in a nearby town.

Four Killed in Communist Ambush in Quezon

HK0408083090 Quezon City Radyo ng Bayan in Tagalog 0800 GMT 4 Aug 90

[Text] Three Constabulary soldiers and one civilian were shot dead when communist rebels raided a military checkpoint in Pagbilao, Quezon. Reports reaching Camp Nakar in Lucena City indicated that the rebels were on board a government-owned dump truck when they ambushed the checkpoint in Barangay Matabong, Pagbilao. Killed in the ambush were: Sergeant Guillermo Garcia, Ruben Lanting, Constable Leonilo Calingasang, and Romeo Cabado, a civilian and resident of Lucena City.

Religious Group Officers Mistaken for Communists

HK0608100190 Manila MANILA BULLETIN in English 5 Aug 90 p 1

[By Victor Vega]

[Excerpt] Five officers of a religious group called Sangguniang Kristiyanong Komunidad (SKK), described by police and military agents as a front organization of the outlawed Communist Party of the Philippines (CPP), said yesterday they are not members of the Alex Boncayao Brigade (ABB), the death squad of the New People's Army (NPA) in Metro Manila.

The five SKK officers—Marlon Apolonio, Pat Valles, Pacita Gambalan, Erlina Lee, and Tessie Pelias—said they are peace-loving citizens and have never been associated with the ABB or any other communist organization. They said the SKK is a purely religious group carrying out legal activities in Magsaysay Village in Tondo. Intelligence reports said the SKK met with ABB members in Tondo to discuss the expansion of "core" groups in each of the 14 local groups under the SKK. They added that a youth organization, the Kabataan para sa Demokrasya at Nasyonalismo (Kadena) [Youth for Democracy and Nationalism], is being used by the ABB as a front organization in Tondo. [passage omitted]

Building in Camp Aguinaldo Gutted by Fire

HK0608095190 Manila THE MANILA CHRONICLE in English 5 Aug 90 p 1

[By Noli Cabantug]

[Text] A fire caused by an explosion gutted a building in Camp Aguinaldo yesterday morning, injuring several people. The fire destroyed the Presidential School Committee building, housing the National Capital Region Civil Relations Group and the barracks of the CRS [Civil Relations Service] personnel. There were no immediate reports of what caused the explosion, which occurred at about 9:40 a.m. at the CRS supply room.

The explosion apparently touched off ammunition stored in the building, causing a fire which gutted the building in minutes. Master sergeant Jessia de la Cruz of the CRS-NCR [National Capital Region] suffered minor wounds caused by glass splinters when he escaped from the building. Some civilians in the adjoining building were reportedly hurt by the blast. CRS Deputy Commander Navy Capt Johnny Andaya created an investigation committee.

Thailand

Further on Response to Iraq-Kuwait Situation

Funds for Stranded Workers

BK0408045690 Bangkok THE NATION in English 4 Aug 90 p 2

[Text] The Labour Department has approved a Bt [Baht] 3 million emergency fund to help Thai workers stranded in Kuwait following the Iraqi invasion, a source said yesterday. The money was drawn from the department's welfare fund for overseas Thai labour and will be sent to Kuwait through the Thai Embassy there to provide food and other emergency relief, the source said.

Preparations have also been made by the department in cooperation with the Foreign Ministry to evacuate the workers, numbering up to 7,000, to Saudi Arabia if the situation worsens, according to the source.

Phisan Phrutthiphon, the Thai labour attache in Kuwait, meanwhile, reported that about 100 Thais working for South Korea's Hyundai construction company were being held by Iraqi forces along with South Korean workers. But all have been reported to be safe. Phisan also said about 50 Thais working for a cleaning company servicing Kuwait Airways were still stranded at the airport in Kuwait City.

Suwit Chutikanon, manager of the Sincere International Co Ltd, which supplied Thai workers to Hyundai Co, said the company had already evacuated more than 1,000 Thai and South Korean labourers working in areas of fighting to safety at a freshwater distillation factory. There were no reports of casualties, he confirmed. Suwit also quoted Hyundai Co as telling him not to be concerned about the situation because fighting was only affecting pockets of Kuwait and workers would remain safe if they stayed in the camps where they live.

The House Committee on Labour Affairs, meanwhile, said it will hold a meeting on Tuesday to discuss measures to help Thai workers in Kuwait.

Committee deputy chairman Somsak Khunngun said he will propose that an ad-hoc committee be set up to coordinate assistance for the workers among government agencies concerned including the ministries of foreign affairs, interior and defence.

In a related report, deputy Prime Minister Phong Sarasin said the public should stay calm because the government is preparing measures to deal with the consequences of Iraq's invasion of Kuwait.

Iraq Said To Protect Workers

BK0408161590 Bangkok Army Television Channel 5 in Thai 1300 GMT 4 Aug 90

[Excerpt] Kopsak Chutikun, ambassador attached to the Foreign Ministry, reporting on the developments in the

Iraq-Kuwait dispute, said that the situation was sensitive and volatile. He said that the fighting would not directly affect Thailand. Thailand has stated its support for the resolution passed by the UN Security Council. Now Thailand will have to wait for more developments. Thailand will especially have to wait to see how the UN Security Council and the Arab countries will be able to deal with the situation. Diplomatic activities have been going on among Arab countries in order to defuse the conflict. Thailand should wait for the results.

The ambassador said that too much talking or action by Thailand at this time might have negative effects because Thailand maintains good relations with all countries in the Middle East. The ambassador said that the Foreign Ministry had set up a task force working group which will follow up the developments, especially concerning the welfare of Thai labor. Since all communications lines to Kuwait have been cut and the contact with the Thai embassy in Kuwait broken since 0300 on Thursday [2 August], the Foreign Ministry has been trying to coordinate with friendly countries in order to reach the Thai embassy in Kuwait. Now there has been a report from the embassy in Baghdad that the permanent secretary of the Iraqi Foreign Ministry, Mr. Nassar Manjwan, had invited the Thai ambassador to Iraq, Choei Sutrong, for a meeting, and informed him that Iraq would protect the Thai workers in Kuwait. Iraq said that the Thai government should have no concern about this problem. [passage omitted]

Contact With Kuwait Said Open

BK0508161190 Bangkok Domestic Service in Thai 1230 GMT 5 Aug 90

[Text] Kopsak Chutikun, ambassador attached to the Foreign Ministry in charge of Middle East and African Affairs, reported that the task force working team set up by the ministry had informed him of the latest developments of the situation in Kuwait. The ministry also received reports from the Thai embassies in neighboring states, such as from Riyadh, Saudi Arabia; Muscat, Oman; Tehran, Iran; and Baghdad, Iraq. A friendly country whose identity cannot be revealed had also offered Thailand the use of its radio network to contact the Thai embassy in Kuwait. However, this is available only in case of an emergency.

[Begin Kopsak recording] We will be able to use it when there is an emergency, but not to dispatch reports on a normal basis. That means we now have a channel of contact with our embassy in Kuwait. Although this is limited to only when there is an emergency, we feel assured now that we would be able to reach our embassy. [end recording]

Thailand has not taken further steps regarding its stand on the Iraq-Kuwait conflict. Concerning the fate of Thai nationals in both countries, Thailand has been assured by Iraq that none of them are being detained. Yet there might be some Thai workers who are stranded at their construction sites. It has been confirmed that there are about 7,000 Thai workers in Kuwait and about 3,000 in Iraq. There might be an additional number of those who entered the countries without going through the Labor Department.

Thailand felt relieved with the assurance given by Iraq that it would not advance into Saudi Arabia. This is because Thailand has a large number of workers in Saudi Arabia.

Deputy Foreign Minister Praphat Limpaphan is scheduled to visit Iran and the United Arab Emirates on 8-12 August to survey possibilities for an expansion of cooperation with the Middle East countries. The plan has not been changed. The trip would meanwhile enable the minister to have a close look at the ongoing situation.

Sitthi Supports UN Resolution

BK0608134590 Bangkok Domestic Service in Thai 1200 GMT 6 Aug 90

[Text] Foreign Minister Air Chief Marshal Sitthi Sawetsila said this afternoon that Thailand supports the United Nations Security Council's resolution on resolving the Iraq-Kuwait conflict. He said that however, Thailand calls on the two countries to exercise restraint and to make efforts to avoid loss of civilian lives on both sides. Thailand hopes that the two warring countries will be able to normalize their relations through negotiations.

The Foreign Ministry is following the situation closely, especially concerning the safety of the Thai people and laborers. After the ministry was able to contact its embassy in Kuwait through Riyadh, it was reported that one Thai laborer was killed and several Thai laborers were arrested and detained. He said that he had instructed the Thai Embassy to closely look after the Thai people in Kuwait.

Chatchai Urges End to PRC Arms to Khmer Rouge

BK0608095790 Bangkok THE NATION in English 6 Aug 90 p 1

[By Kawi Chongkitthawon]

[Text] Prime Minister Chatchai Chunhawan will urge China to impose a moratorium on arms supplies to the Khmer Rouge during Chinese Prime Minister Li Peng's two-day visit here next week.

Chatchai will hold a working dinner with his Chinese counterpart next Monday at his residence at Soi Rajakhru, where he will make the appeal, according to an informed government source.

The visit comes at a time when Thai-Chinese relations are being strained by divergences of views on the Cambodian issue, particularly on the issue of cessation of aid to the Khmer Rouge, the most powerful of the three anti-Vietnamese resistance rebel groups.

The source said it was Chatchai who asked for a meeting with Li Peng. The premier first proposed hosting a lunch at Don Muang Airport on Monday during a stopover by Li Peng here from Singapore en route to Beijing. The Chinese premier later expressed his intention to stay overnight in Thailand. Li is now visiting Indonesia to mark the normalization of relations between the two countries. After Indonesia, he will visit Singapore.

Observers consider the Chatchai-Li Peng meeting to be of crucial importance as the five permanent members of the UN Security Council will hold a meeting on August 28-29, where they are expected to formulate a common position on the issue of the Khmer Rouge and a moratorium on arms supplies to the Cambodia factions.

The source said Thailand wants to persuade China of Thailand's support "by letting the Chinese decide on the important issue of arms cessation."

Chatchai will be "frank" with the Chinese prime minister about the Cambodian peace process, the source added. Li Peng's visit to Thailand comes after the United States reversed its position and decided to talk with Vietnam, which supports the government in Phnom Penh. The first US-Vietnamese meeting is scheduled to be held today in New York between the Vietnamese ambassador to the United Nations, Trinh Xuan Lang and US Deputy Assistant Secretary of State Kenneth Quinn. The United States and Vietnam are expected to agree on an "enhanced" role for the United Nations in administering Cambodia before general elections, according to the source, who has close contacts with both Washington and Hanoi.

Besides discussing the Cambodian conflict, Thailand will ask China to buy about 150,000 tonnes of rice under a trade agreement signed between the two countries a few years back, the source said. Beijing has yet to purchase an estimated 200,000 tonnes of Thai maize as stated under the same trade agreement. China has cited financial difficulty as the main reason.

Recently, the Petroleum Authority of Thailand signed a note of purchase of Chinese oil without any conditions.

The source said Chatchai will remind China of Thailand's concern about the countries' sluggish trade relations.

Vietnam

Talks With U.S. Begin at UN Headquarters

BK0608121190 Hanoi International Service in English 1000 GMT 6 Aug 90

[Radio commentary]

[Text] The direct talks between Vietnam and the U.S.A. started at the United Nations headquarters in New York on Monday [6 August]. But people who concern themselves with the Vietnamese-U.S. relations certainly are following this event and here is our radio commentary:

Ambassador Trinh Xuan Lang, head of the Vietnamese representation at the UN, and Mr. Kenneth Quinn, [deputy] assistant to the U.S. secretary of state, will respectively represent Hanoi and Washington to carry out the discussions. This is the first direct talks between Vietnam and the U.S.A. since the end of the U.S. war in Vietnam in 1975.

Last month, U.S. Secretary of State James Baker declared that the U.S. decided to withdraw its recognition of the Coalition Government of Democratic Cambodia at the United Nations and open negotiations with Vietnam on the Cambodian issue. After this decision, the two countries quickly scheduled for the talks. Therefore, the talks in New York is to discuss the Cambodian issue.

It is necessary to mention that before the talks the U.S. had made positive steps in solving the Cambodian issue. U.S. Secretary of State James Baker affirmed that Washington would open direct negotiations with the Phnom Penh government to solve the Cambodian issue. The U.S. also urged Japan to call on China to stop its arms supply to the Khmer Rouge.

These positive steps have made contributions to an early convening of the U.S.-Vietnamese talks. The most important thing is to make these talks a success as expected by the public. To this end, the U.S. should pursue its newest stance toward the Cambodian issue by concrete deeds while making more efforts for a peaceful solution to the Cambodian issue.

Though the talks merely discuss the Cambodian issue, there would be possibility of discussions on the normalization of the U.S.-Vietnamese relations because many American politicians had dealt with the U.S.-Vietnamese relations before the talks were held. Three days before the talks, U.S. Secretary of Commerce Robert Mosbacher declared at the American Chamber of Commerce in Bangkok that the lifting of Washington's trade ban against Vietnam was over the horizon and could—and I repeat could—appear shortly. And last month, U.S. Secretary of State James Baker said in Jakarta, Indonesia that the U.S.-Vietnamese talks might lead to normalization of relations between the two countries, including the lift of a trade ban against Vietnam. These statements make people hopeful and optimistic about the improvement of U.S.-Vietnamese relations in the near future.

Though Vietnam always wants to improve the relations between the two countries, it has no illusion on the quick restoration of relations because this depends on many problems, especially whether the U.S. really realizes its statement on Cambodia and the U.S.-Vietnamese relations by concrete deeds or not.

But to the world public, the U.S.-Vietnamese talks in New York are important. Radio the Voice of America last Saturday [4 August] affirmed that in the framework of the conflict in Cambodia, what the U.S. and Vietnam speak or what they can exchange to each other are still considered important by many people.

Talks Welcomed

BK0308134990 Hanoi International Service in English 1000 GMT 3 Aug 90

[Station commentary]

[Text] Absent from the aspect of Cambodia over the past 15 years, on July 27 a U.S. military plane flew over Phnom Penh and landed at the major airport of the capital. The aircraft was there to fly home remains of six American servicemen and to bring changes in U.S. policy toward the Phnom Penh government as well as a settlement of the Cambodian issue. Here are our radio comments:

As a matter of fact, even before the presence of the U.S. military plane in Phnom Penh, Washington has made important changes in its policy toward the Cambodian issue. U.S. Secretary of State James Baker declared that the U.S. Administration will withdraw diplomatic recognition of the Coalition Government of Democratic Kampuchea at the United Nations. This statement bears proof of a change in U.S. policy toward the Cambodian problem and initiates several moves taken by Washington in the same direction. These moves include that historic flight followed by the official visit to Phnom Penh of former U.S. ambassador to Cambodia in the pre-1975 period Mr. John Gunther Dean. Foreign observers believed that Mr. Dean went to Phnom Penh to survey the situation in Cambodia and the possibility for opening dialogue with that state.

The assessment is attributed by Mr. James Baker's statement last week that the U.S. will not recognize the coalition government of Democratic Kampuchea and will begin dialogue with Vietnam. This testifies to the fact that the U.S. is considering direct talks with the Phnom Penh government.

Interest in development and movement regarding Phnom Penh-Washington relations is not only seething in Phnom Penh but also in Washington. The radio networks in New York, Washington, and other cities on July 28 covered an interview given by Chairman Hun Sen of Cambodia to the National Public Radio of the United States.

Meanwhile, American congressmen over the week repeatedly proposed that the White House start direct talks with the Phnom Penh government and set up diplomatic relations with the State of Cambodia.

A report from the U.S. said Mr. Solomon, assistant to the U.S. secretary of state, will visit Phnom Penh soon to lay groundwork for the coming Washington-Phnom Penh dialogue.

Development over the past 10 days has helped ease the tense political atmosphere between Washington and Phnom Penh. Nevertheless, these are just initial and exploratory steps, yet [word indistinct] as positive and in the right direction taken by the United States toward the State of Cambodia. It is to be hoped that those who still cling to their erroneous stand on the Phnom Penh government will change likewise.

Further Steps Urged

BK0508060190 Hanoi Domestic Service in Vietnamese 1430 GMT 4 Aug 90

[NHAN DAN 4 August Article by Van Thanh: "Acts Consistent With Reality and Just Cause Should Be Continued"]

[Text] The U.S.-Vietnam talks on the Cambodian issue are scheduled on 6 August in New York. This is a new forum for the Cambodian issue. There have been many forums for this issue—namely the Hun Sen-Sihanouk meeting; the Vietnam-China meeting; the Jakarta Informal Meeting on Cambodia (JIM); the Paris international conference on Cambodia; the conference of five major nations: USSR, United States, China, Britain, and France; the meeting between Phnom Penh and Bangkok leaders; and the meeting of two Cambodian parties in Tokyo. Obviously, the Cambodian issue is of interest to the world community at present.

The U.S.-Vietnam talks on Cambodia are proceeding in line with the U.S. policy change on Cambodia. On 18 July, after the conclusion of the five major nations' conference in Paris and following a meeting between U.S. Secretary of State James Baker and Soviet Foreign Minister Shevardnadze, the U.S. Secretary of State announced at a news conference that the U.S. has decided to stop its support for Democratic Kampuchea to retain its Cambodian seat at the United Nations, that the U.S. will provide humanitarian aid to Phnom Penh, and that the U.S. is ready to hold direct talks with Vietnam on the Cambodian issue.

Mr. Baker's statement received a warm welcome immediately by a wide segment of world opinion. A spokesman for the State of Cambodia said: This new U.S. stand meets the earnest aspiration of the Cambodian people and world public opinion. The Vietnamese foreign minister, in an interview on 19 July, clearly pointed out Vietnam's stand on this issue, saying: Vietnam has, on many occasions, expressed a desire for a rational and just political solution to the Cambodian issue that shows respect for the Cambodian people's national right and ensures lasting peace and stability for the entire Southeast Asian region. Vietnam is ready to hold talks with all countries concerned and welcomes U.S. Secretary of State James Baker's 18 July statement.

Public opinion in the USSR, India, Australia, the FRG, Canada, New Zealand, Britain, France, Japan, and Thailand as well as in many other countries have also welcomed and expressed support to the United States for changing its policy on Cambodia. It is noteworthy that in the United States this attitude on Cambodia has been discussed in a seething manner during the past few days. The American people not only welcomed this attitude but also appealed to the U.S. Administration to take steps to contribute to seeking a peaceful solution to the Cambodian issue.

A group of 66 U.S. senators—two-thirds of the U.S. Senate—sent a letter to President Bush saying that the recent U.S. policy change on Cambodia is not enough to isolate the Khmer Rouge and that the U.S. Administration should hold direct talks with the Hun Sen government, provide economic aid to Cambodia, and exert pressure over China to stop its aid to the Khmer Rouge. Senator Carry proposed to the U.S. President the setting up of a U.S. representive office in Phnom Penh. Meanwhile Senator Muskie, former U.S. secretary of state, after visiting Cambodia, made an eight-point proposal which included a halt to aid for Democratic Kampuchea; measures to isolate the Khmer Rouge militarily, diplomatically, and economically; and implementation of the Hun Sen-Sihanouk joint communique in Tokyo.

Mr. Baker's 18 July statement, however, has apparently angered and brought negative response from the Khmer Rouge and other Cambodian opposition factions.

In fact, the Cambodian issue should be resolved earlier, especially after the complete withdrawal of Vietnamese troops from Cambodia in September 1989. The Vietnamese and Phnom Penh governments have always upheld their goodwill and have taken concrete, positive steps. The other sides, however, have not changed their stand and have attempted to create obstacles, thus causing a stalemate to all negotiations. They even tried to wage a civil war with an attempt to overthrow the Phnom Penh regime by force. Even U.S. Secretary of State James Baker said: Support to the Democratic Kampuchean coalition should not be continued because this will help the Khmer Rouge use this diplomatic shield to conceal their military activities. The danger of the Khmer Rouge returning to power in Cambodia is a key obstacle to the political solution of the Cambodian issue.

In this situation, U.S. Secretary of State James Baker's statement on the new U.S. policy on Cambodia is a positive move. This is a correct, essential decision to punish and isolate the Khmer Rouge and to prevent them from reimposing a genocidal regime in Cambodia.

If the majority at the upcoming September UN General Assembly support the U.S. decision to stop recognizing the Khmer Rouge-controlled Democratic Kampuchean's seat at the United Nations, then it will help this world body to correct its erroneous act while creating conditions for this organization to play a proper role in a political solution to the Cambodian issue.

This new policy of Washington can contribute to accelerating the implementation of the Tokyo joint communique, while producing prospects for normalizing relations between the United States and the State of Cambodia and between the United States and Vietnam, thereby meeting aspirations and interests of the people in the three countries.

According to public opinion it is hoped that Washington will turn its announcements into concrete deeds and will take further steps to contribute to peacefully resolving the Cambodian issue.

Mosbacher Cited on Embargo

BK0608085290 Hanoi Domestic Service in Vietnamese 0500 GMT 6 Aug 90

[Text] According to AFP, U.S. Secretary of Commerce Robert A. Mosbacher, at his working session with the American Chamber of Commerce in Bangkok on 3 August, said: the abolition of the U.S. trade embargo against Vietnam is still on a far horizon, but maybe, I repeat maybe, it might happen soon.

Last month U.S. Secretary of State James Baker announced in Jakarta that upcoming talks between the United States and Vietnam may lead to the normalization of relations between the two countries, including the abolition of the U.S. trade embargo against Vietnam.

The American Chamber of Commerce in Bangkok recently sent a letter to the U.S. secretary of commerce asking the U.S. Government to abolish the trade embargo against Vietnam because U.S. businessmen have lost opportunities in trading with Indochina to their rival businessmen.

VNA Reports Ngo Ba Thanh's U.S. Visit

BK0608100690 Hanoi VNA in English 0721 GMT 6 Aug 90

[Text] Hanoi VNA August 6—Dr. Ngo Ba Thanh, head of the Law Commission of the National Assembly and member of the Executive Committee of the Vietnam Lawyers' Association, visited the United States from July 23 to August 2 at the invitation of the Clergy and Laity Concerned (CALC).

While in the United States, Mrs. Ngo Ba Thanh visited New York and Washington and had contacts with social activists, representatives of mass organizations, business circles, schools and institutes, lawyers and pressmen.

Mrs. Ngo Ba Thanh addressed a meeting held in New York on the evening of July 23 to mark the 25th founding anniversary of the CALC, which mobilized the religious community in the United States to oppose the U.S. policy of intervention in Vietnam.

In Washington, Mrs. Ngo Ba Thanh had working sessions with the "Indochina Project" organization.

Sino-Indonesian Ties Linked With Cambodia

BK0608120590 Hong Kong AFP in English 1140 GMT 6 Aug 90

[Text] Hanoi, Aug 6 (AFP)—Vietnam hopes the normalisation of ties between China and Indonesia will help resolve the dragging conflict in Cambodia, an official Vietnamese source said here Monday. "We hope that friendly relations between China and Indonesia will contribute to peace and stability in the region and to the search for a just and rational solution to the Cambodian problem," a Foreign Ministry spokesman said.

The Chinese Prime Minister, Li Peng, began a five-day visit to Indonesia Monday during which the two countries are to formally resume diplomatic ties after a 23-year break. Indonesia broke off relations with China 23 years ago, accusing Beijing of complicity in a 1965 Communist coup attempt. China denied the allegation.

Vietnam has often voiced willingness to normalise its own relations with China. The two sides fought a short but bloody war after Vietnam invaded Cambodia to topple the Marxist Khmer Rouge from power in January 1979. China is the main supporter of the Khmer Rouge, the strongest faction in the resistance coalition opposed to the pro-Vietnamese government in Phnom Penh.

Indonesia was co-president, with France, of an inconclusive conference in Paris last year aimed at resolving Cambodia's 11-year civil war.

Hanoi 'Preoccupied' With Situation in Gulf

BK0608095690 Hong Kong AFP in English 0928 GMT 6 Aug 90

[Text] Hanoi, Aug 6 (AFP)—Hanoi is "preoccupied" by the situation in the Gulf and would like to see the conflict between Iraq and Kuwait settled by peaceful means, a Foreign Ministry spokesman here said Monday. Vietnam, which has close ties with Baghdad, "is very preoccupied by the tense situation prevailing in the Gulf and would like to see the problem solved quickly and by peaceful means," he said.

Iraq invaded Kuwait Thursday and toppled the ruling monarchy before setting up a provisional government and announcing it had begun to withdraw its troops.

The problem should be solved "in accordance with the interests of the two nations and so as to favor peace and stability in the region," the spokesman said. He did not say how Vietnam would react to international calls for economic sanctions against Iraq.

The official media here have so far simply reported the invasion, but have not commented on it.

Vietnam maintains good relations with Iraq, where thousands of Vietnamese workers sent under bilateral agreements live.

Australia

Canberra Embargoes Iraqi, Kuwaiti Oil, Assets

BK0608102390 Hong Kong AFP in English 1002 GMT 6 Aug 90

[Text] Canberra, Aug 6 (AFP)—The Australian Government Monday imposed economic sanctions against Iraq and condemned its recent invasion of Kuwait. Attorney General Michael Duffy said in a statement that Canberra would embargo oil imports from Iraq and Kuwait and freeze any Iraqi assets found here. Any assets of the legitimate government of Kuwait would be protected, he said. Canberra would also embargo weapons sales to Iraq and has revoked an export licence for the sale of 850 million dollars (666 million U.S.) of engine components to the Iraqi Air Force, he said.

"The Iraqi invasion was a gross and indefensible violation of the United Nations charter and posed a most serious threat to the overall stability of the Middle East," Mr. Duffy said. "Australia condemned the invasion unreservedly and continued to call for the immediate and unconditional withdrawal of all Iraqi forces. "Australia would refrain from any action which could be taken as implicit recognition of the Iraqi occupation of Kuwait (and) was prepared to implement and support a security council resolution on sanctions against Iraq," Mr. Duffy said.

The sanctions could cost Australia about one billion dollars (780 million U.S.), according to one estimate. Iraq imports more than 2.1 million tonnes of Australian wheat worth about 435 million dollars (341 million U.S.) a year. Primary Industries Minister John Kerin told reporters that if a trade embargo was imposed, Iraq could default on the 484 million dollars (379 million U.S.) it owes Australia in interest cover and the 127 million dollars (100 million U.S.) it owes the Australian wheat board. Kuwait has an estimated 50 million to 60 million dollars (39 million to 47 million U.S.) worth of assets in Australia, and Iraq is thought to have none.

New Zealand

Palmer: New Zealand Ready To Back U.N. on Iraq

BK0608061090 Hong Kong AFP in English 0554 GMT 6 Aug 90

[Text] Wellington, Aug 6 (AFP)—New Zealand will back any action the United Nations decides to take against Iraq, Prime Minister Geoffrey Palmer said Monday. "The government's stance is one of total condemnation of that naked act of aggression," he told a press conference after the cabinet discussed Iraq's invasion of Kuwait. "We want to see action through the United Nations. It can use mandatory sanctions, but it can also use force. If the U.N. decided that the use of force was appropriate, New Zealand would most certainly seriously consider making a contribution to that." The Iraqi action had been "jack-booted thuggery," he said, and urged the UN Security Council to order mandatory sanctions. Mr. Palmer said comprehensive sanctions would hurt New Zealand's dairy exports to Iraq, which were worth 19.3 million New Zealand dollars (11.3 million U.S.) during the first six months of this year.

Papua New Guinea

Bougainville Delegates State Independence Demand

BK0208141990 Hong Kong AFP in English 1402 GMT 2 Aug 90

[Text] Port Moresby, Aug 2 (AFP)—Bougainville delegates Thursday demanded that the Papua New Guinea Government recognise their unilateral declaration of independence (UDI) during day four of peace talks on a New Zealand warship, officials said. Ian Boden, Port Moresby's spokesman, said by phone from the HMNZS [Her Majesty's New Zealand Ship] "Endeavour": "They demanded government recognition of their UDI and government restoration of services." The demand was contained in a memorandum, requested Tuesday by the government delegation headed by Foreign Minister Michael Somare, which asked the Bougainville team to state if it would allow government forces back on the island if sanctions imposed by the government were lifted.

"There was a little bit of emotion this afternoon, but they are still talking," one observer said, adding that passions were roused when Bougainville alleged atrocities by government forces. The talks are set to resume Friday in an attempt to resolve a 16-month secessionist conflict which left more than 80 dead before a March ceasefire when Port Moresby withdrew its forces. The origins of the conflict trace back to landowners demanding compensation from Bougainville's Australian-run giant copper mine.

Port Moresby has repeatedly rejected the independence demands of Bougainville saying secession was "non-negotiable." Sir Michael said in a statement that the Bougainville delegation memorandum was difficult to respond to. It had insisted that the government recognise the Bougainvillean unilateral declaration of independence while at the same time restoring goods and services, he said. He added that the talks had adjourned amicably. Port Moresby also presented the Bougainville squad headed by Premier Joseph Kabui with a memorandum. The document related to "the restoration of goods and services and setting out a proposal for the co-ordination and continuation of further discussions on in future," Sir Michael said. [sentence as received]

Peace Talks To Resume 5 Aug

BK0408071390 Melbourne Overseas Service in English 0500 GMT 4 Aug 90

[Text] Peace talks on the troubled island of Bougainville will resume tomorrow in Papua New Guinea after they struck a hitch yesterday. Radio Australia's Sean Dorney reports from the New Zealand warship Endeavour that the two sides had been discussing a memorandum of understanding relating to the restoration of essential services after earlier debating a different memorandum of understanding on which neither side could agree.

The Bougainville delegation yesterday presented a draft which did not include a demand for Port Moresby to recognize Bougainville's unilateral declaration of independence. However, Sean Dorney says that a senior member of the Bougainville Revolutionary Army [BRA] decided that there was a danger of this being seen as a watering down of the drive for independence. This led to a breakdown in discussions, and the Bougainville side requested that the talks be halted until Sunday.

Delegation 'Running Short of Patience'

BK0508065690 Melbourne Overseas Service in English 0500 GMT 5 Aug 90

[Text] Papua New Guinea's foreign minister, Sir Michael Somare, says today is the last chance for some agreement to be reached on the restoration of essential services to Bougainville island.

Radio Australia's Sean Dorney reports that the Bougainville peace talks are due to resume on board the New Zealand warship Endeavour. But, Dorney says that the Papua New Guinea delegation is running short of patience.

The talks were adjourned on Friday after the Bougainville delegation would not agree to a plan to restore services to the island if Bougainville's right to complete independence was not immediately recognized. Papua New Guinea has proposed that the political issues be deferred to later talks.

Peace Talks End 'Inconclusively'

BK0508143290 Hong Kong AFP in English 1414 GMT 5 Aug 90

[Text] Port Moresby, Aug 5 (AFP)—The first round of the Bougainville peace talks ended inconclusively late Sunday on board the truce ship HMNZS [Her Majesty's New Zealand Ship] Endeavour. Delegates from the Papua New Guinea [PNG] Government and rebel leaders agreed that dialogue should continue but political declarations relating to the future status of Bougainville should be deferred, AUSTRALIAN ASSOCIATED PRESS said. Rebel leaders on Bougainville, an island province 1,000 kilometers (620 miles) east of Port Moresby, declared unilateral independence on May 17. In a joint communique issued Sunday night the two chief negotiators, PNG Foreign Minister Sir Michael Somare and provincial Premier Joseph Kabui, said talks would resume "within eight weeks".

"They agreed the long term political status of Bougainville is to be addressed as part of the continuing dialogue," the statement said. "Meanwhile all political declarations with respect to that future status are deferred." According to the accord, the national government confirmed that "at the earliest opportunity it would take all practical steps consistent with the Constitution of Papua New Guinea to bring about the return of services to Bougainville."

National government services—including health care, education and telecommunications—deteriorated markedly during the 20-month rebellion and were severed completely when Bougainville declared its independence. Both sides have been anxious to restore services—the government as an essential step towards re-establishing authority over the province, and the rebel authorities to alleviate shortages and to prove that they can provide for the island.

However, the security of public servants who return to the island has been a sticking point. The national government insists the return of public servants must be accompanied by a return of police to the province, but Bougainville leaders say they can guarantee the officials' safety without outside help. During the talks, the government said the police force could be made up of Bougainvilleans. The commmunique said both sides agreed services should be returned "as a matter of urgent priority," but gave no indication when this could occur. "The Government of Papua New Guinea will consult regularly with the present Bougainville delegation on the restoration of services," it said. "The two delegations agreed on the desirability of the full participation of Bougainvilleans in future security arrangements on Bougainville." The communique thanked the New Zealand Government for its assistance in providing three naval vessels, and support facilities, as a neutral base for the talks.